



EUROPEAN
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**Reporting transnational access
and service activity costs**

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1. REPORTING TRANSNATIONAL ACCESS COSTS

The guidelines given in this section are based on Annex III – Specific Provisions for Transnational Access Activities. They apply to Integrating Activity (IA) projects including transnational access activities.

For this type of projects, Annex I (Description of Work) to the Grant Agreement (ECGA) includes an estimated unit cost for each installation providing access under the project. The unit cost is defined as:

Estimated unit cost: estimated costs of providing access to the installation during the project lifetime divided by the estimated total quantity of access to be provided to the installation during the project lifetime.

The costs of providing access do not include capital investment costs and the total quantity of access to be considered includes access to be supported under the specific ECGA, as well as any other access to the installation to be provided by the access provider during the project lifetime.

When submitting financial reports for intermediate reporting periods, a beneficiary will normally identify transnational access costs multiplying the estimated unit cost (defined in Annex I) by the number of units of access provided to selected user-projects in the reporting period (as recorded in the Access Database provided by the Commission to IA projects). The real unit cost needs to be calculated at least with the last reporting period and, if necessary, adjustments will be made to the access costs claimed in the previous reporting periods.

Real unit cost: actual costs incurred in providing access to the installation during the project lifetime divided by the total quantity of access actually provided to the installation during the project lifetime.

A beneficiary could however decide to calculate the real unit cost in any or all reporting periods in order to claim actual access costs. In such a case the calculation shall be based on the actual data for the reporting period(s). At the end of the last reporting period, if necessary, adjustments shall be made to the access costs claimed in the previous reporting periods (see section 1.2).

The calculation of the real unit cost shall be done on the same Excel sheet used for the estimated unit cost calculation. Again, capital investment costs must be excluded and the total quantity of access provided must include also access not supported under the ECGA.

In the "Form C" access costs must be reported in the specific "Access Costs" line of the "Support" column. Indirect costs related to access costs may not be claimed in the "Indirect Costs" line of Form C, because they have been taken into account in the calculation of the unit cost and are already included in the access cost.

Travel and subsistence costs related to visits of users and meetings of the selection panel, are not included in the calculation of the unit cost. These costs may be claimed by beneficiaries in their Form C in the "Other Direct Costs" line of the "Support" column. In accordance to Special Clause 19, the reimbursement of indirect costs related to travel and subsistence (and to any other direct costs in the "Support" and "Coordination" columns, excluding subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary), is limited to a maximum of 7% of the direct costs.

The Excel sheet with the real unit cost must be provided to the Commission together with the periodic report.

1.1 Certificates on financial statement (CFS) and real cost calculation

The provision of a CFS is independent from the real unit cost calculation.

A CFS is mandatory for every claim (interim or final) in the form of reimbursement of costs whenever the amount of the requested EC contribution is equal or superior to EUR 375,000 when cumulated with all previous payments for which a CFS has not been submitted.

Access costs based on estimated unit cost must be taken into account to establish the need for a CFS, but, if a CFS is due, they will not be covered by the CFS itself.

Where a CFS is requested, it shall not certify costs declared on the basis of estimated unit costs.

However, if a CFS is due and a real unit cost has been calculated, then the CFS shall certify the actual access costs of the reporting period, as well as the actual access costs, re-calculated (adjusted) on the basis of the real unit cost, of previous reporting periods that have not been certified before (see section 1.2).

If the real unit cost is calculated only at the end of the last period, then for the last claim all actual access costs incurred over the full project lifetime shall be taken into account in order to establish the need for a CFS and the amounts to be certified by it. When a CFS is needed, it shall certify also the actual access costs for the previous periods.

Example:

In a project with three reporting periods, an access provider claims for the first period EUR 380,000 as total cost, of which estimated access costs (based on an estimated unit cost) are 40,000 and the other costs are 340,000. A CFS must be submitted, since the beneficiary claims and will get a payment of 380,000, but the CFS will not certify the estimated access costs (40,000).

For the second period the access provider claims EUR 400,000 as total cost, of which estimated access costs (based on an estimated unit cost) are 40,000 and the other costs are 360,000. A CFS must be submitted, but the CFS will not certify the estimated access costs (40,000).

*For the final period the access provider claims EUR 300,000, 270,000 as other costs and 30,000 as actual access costs. The access costs of the first and second period are re-calculated on the basis of the real unit cost and no adjustment is needed because there are no differences. To establish the need for a CFS, the beneficiary adds to the costs claimed for the last period the actual access costs for the 1st period (40,000) and the actual access cost for the 2nd period (40,000); in total 380,000. A CFS is needed; the CFS will also certify the access costs (40,000 and 40,000) of the first and second period. Where the total amount thus calculated is below 375,000, a CFS is **not** needed.*

1.2 Adjustments to the access costs – Community financial support for access costs

Art. III.9 of Annex III for Transnational Access states:

The Community financial contribution shall be adjusted in the financial statement (Form C) corresponding to the last reporting period, taking into account the following:

- The real unit cost, calculated on the basis of total quantity of access actually provided and the costs actually incurred to give this access. If the real unit cost is higher than the estimated unit cost, the increase in relation to the estimated unit cost may be reimbursed under the condition that the minimum quantity of access to be reimbursed under this grant agreement, foreseen in Annex I, has been provided.

- The *Community financial contribution* shall not exceed 20% of the costs of providing the total quantity of access to the *installation* over the duration of the *project*.

Therefore, when the real unit cost is calculated, all access costs based on the estimated unit cost that have been reported in previous periods shall be adjusted in order to reflect actual costs.

Access costs based on a real unit cost higher than the estimated unit cost may be reimbursed only if the minimum quantity of access foreseen in Annex I of the specific ECGA has been provided and if there is still some available budget within the project Maximum Community financial contribution.

The adjustments to the access costs of previous periods can be included in the calculation of the access costs of the last period. Alternatively additional Forms C to cover the adjustments may be submitted.

Example:

Within a project with three periods a beneficiary provides access to an installation with:

- *Estimated costs of providing access during the project lifetime: EUR 4,000,000 (including both access financed and not financed by the Community under the specific ECGA),*
- *Estimated total quantity of access to be provided during the project lifetime: 1,000,*
- *Estimated unit cost: EUR 4,000,*
- *Minimum quantity of access to be provided under the ECGA: 200.*

1st period: the access provider declares that 50 units of access were provided under the conditions established in the ECGA. The amount to be claimed for this period is equal to the estimated unit cost multiplied by the amount of access for this period: $50 \times 4,000 = \text{EUR } 200,000$.

2nd period: the access provider declares that 60 units of access were provided. Amount to be claimed: $60 \times 4,000 = \text{EUR } 240,000$.

*3rd and last period: **the real unit cost** must be calculated on the basis of the total quantity of access actually provided and the costs actually incurred to give this access.*

The following three scenarios are to be considered:

Scenario 1: real unit cost is lower than the estimated unit cost

Costs actually incurred to provide access (including both access financed and not financed by the Community under this ECGA) = EUR 3,000,000.

Total quantity of access actually provided (including both access financed and not financed by the Community under this ECGA) = 1,000 units.

Real unit cost: $\text{EUR } 3,000,000 / 1,000 = \text{EUR } 3,000$.

The access provider shall use this unit cost to calculate the cost to be declared for the last period.

The access provider declares that, in this period, 90 units of access were provided under the conditions established in the ECGA. Then:

Amount to be claimed = $90 \times \text{EUR } 3,000 = \text{EUR } 270,000$. The access provider shall also adjust the costs claimed for previous periods.

- *For the 1st period: the access provider declared that 50 units of access were provided under the conditions established in the ECGA. The amount to be claimed for this period is $50 \times \text{EUR } 3,000 = \text{EUR } 150,000$ instead of EUR 200,000.*

- For the 2nd period: the access provider declared that 60 units of access were delivered. Amount to be claimed is $60 \times \text{EUR } 3,000 = \text{EUR } 180,000$ instead of EUR 240,000.

Scenario 2: real unit cost is higher than the estimated unit cost and the amount of access actually provided under the conditions of the ECGA is equal or higher than the minimum amount foreseen in Annex I to ECGA.

Costs actually incurred to provide access (including both access financed and not financed by the Community under this ECGA): EUR 5,000,000.

Total quantity of units of access actually provided: 1,000.

Real unit cost: $\text{EUR } 5,000,000 / 1,000 = \text{EUR } 5,000$.

The access provider declares that 90 units of access were provided in period 3. Then:

Amount to be claimed: $90 \times \text{EUR } 5,000 = \text{EUR } 450,000$. The access provider shall also adjust the costs claimed for previous periods. For:

- For the 1st period: the access provider declared that 50 units of access were provided under the conditions established in the ECGA. The amount to be claimed for this period is $50 \times \text{EUR } 5,000 = \text{EUR } 250,000$ instead of EUR 200,000.
- For the 2nd period: the access provider declared that 60 units of access were provided under the conditions established in the ECGA. Amount to be claimed is $60 \times \text{EUR } 5,000 = \text{EUR } 300,000$ instead of EUR 240,000.

Scenario 3: real unit cost is higher than the estimated unit cost and the amount of access actually provided under the conditions of the ECGA is less than the minimum amount of access foreseen in Annex I to ECGA.

In this case, the increase in relation to the estimated unit cost may not be reimbursed at all.

If the real unit cost is EUR 5,000 and the minimum amount of access provided is less than the amount foreseen (e.g. the access provider declares to have given 50 units of access for the 3rd period), then the amount to be claimed shall be calculated on the basis of the estimated unit cost: $50 \times \text{EUR } 4,000$ (not EUR 5,000) = EUR 200,000. Equally, the access provider may not adjust the costs claimed for previous periods.

Another case is when, as indicated on page 2, a beneficiary decides to calculate the real unit cost every period and use it for claiming access costs on Form C. In this case, when a CFS is due, it shall certify the actual access costs.

In the final period there can still be adjustments to be done to the already reimbursed actual access costs. This happens in case the minimum quantity of access foreseen in Annex I has not been provided and any of the real unit costs used in the reporting periods is higher than the estimated unit cost.

Example:

Within a ECGA with three periods a beneficiary provides access to an installation with:

- Estimated costs of providing access during the project lifetime: EUR 4,000,000,
- Estimated total quantity of access to be provided during the project lifetime: 1,000,
- Estimated unit cost: EUR 4,000,
- Minimum quantity of access to be provided under the ECGA: 200 units.

The beneficiary calculates the real unit cost for each reporting period:

P1: Real Unit Cost= EUR 4,500 50 units provided access costs = EUR 225,000,

P2: Real Unit Cost= EUR 5,000 60 units provided access costs = EUR 300,000,

P3: Real Unit Cost= EUR 5,000 80 units provided access costs = EUR 400,000.

However: 50 + 60 + 80 = 190 units < 200 units foreseen in Annex I. Therefore, according to Art. III.9, higher unit costs shall not be reimbursed.

Consequently, the access costs to be claimed are calculated on the basis of the estimated unit cost: 190 units x EUR 4,000 = EUR 760,000.

EUR 525,000 already paid for P1 and P2 are subtracted and only EUR 235,000 instead of EUR 400,000 are accepted by the Commission for reimbursement in the last payment (P3).

2. REPORTING SERVICE ACTIVITY COSTS

The guidelines given in this section are based on Special Clause 17: "Specific provisions for reimbursement of access to scientific services freely available through communication network". They apply to Integrating Activity projects including service activities.

For this type of projects, Annex I (Description of Work) to ECGA shall define:

- The total estimated costs of providing access to the installation during the project life. The *Community financial contribution* to access costs shall not exceed 20% of these costs.

The total access costs, defined during negotiation, are based on estimations for the lifetime of the project and do not include the capital investment costs.

In order to report access costs of a service activity, beneficiaries will calculate the actual costs of providing access for each reporting period.

The calculation of the actual access costs shall be done on the same Excel sheet used to define the estimated access costs. Again, capital investment costs must be excluded. The forms with the actual access costs must be provided to the EC together with the periodic report and must be certified by the CFS if a CFS is due according to the provisions of the ECGA.

Access costs must be reported, in Form C, in the specific "Access Costs" line of the "Support" column. Indirect costs related to access costs should not be claimed in the "Indirect Costs" line of Form C, because they have already been taken into account in the calculation of the access costs.