**Lancaster University – Management Guide for European Commission Projects**

It is imperative when undertaking a collaborative research project that that Principal- and Co-investigators understand their obligations to the funder, the other partners and to the University. In order to do that it is important that they are aware of the terms and conditions of their funding. For EC Framework Programme projects the following documents are the most important and fundamental to the project and therefore should be read and understood by the Principal Investigator:

Grant Agreement: the contract between the coordinator and beneficiaries and the Commission

Grant Agreement Annex I – description of work: the work packages, milestones and deliverables are described in detail here

Grant Agreement Annex II – general conditions: these set out in more detail the general conditions of the funding

Consortium Agreement – this is the agreement between the beneficiaries and is likely to cover the management arrangements and IP ownership. It is not always mandatory.

In the last few year a number of European Commission audits have been undertaken on Framework Programme projects awarded to Lancaster. During these audits the Commission auditors examine in detail the financial records for the projects together with the supporting evidence i.e. paper copies of expense claims and their receipts, lists of project meeting and the attendee, meeting agendas, etc. The audit findings have identified a number of common errors that occur on the projects. Commission audits may be initiated up to five years after the end of a project. In order to help principal investigators manage their projects, promote best practice and mitigate the chances of expenditure being disallowed by the Commission there follows some essential guidance.

**Eligible Costs**

The overriding principle is that in order to be considered eligible for reimbursement by the Commission, costs must be:

*Actual* – real costs, with supporting documentation, that appear in our accounts and are incurred during the period of the project (with the exception of costs incurred in relation to the final reports and audit costs that occur after the end of the project).

*Necessary* - used for the sole purpose of achieving the project objectives and expected results

**Timesheets**

*All* staff, whether permanent academic staff, fixed term researchers or technical/clerical, working on an EU project and whose costs are being claimed must complete timesheets[[1]](#footnote-1). These timesheets, together with employment contracts held in HR, are considered to be the necessary supporting documentation to evidence the actual productive hours worked. There are sample timesheet templates available on the RSO website for this purpose (<http://www.lancs.ac.uk/depts/research/lancaster/forms.html>).

Completing the time sheet - It is important that 100% of the working time is recorded against activities being undertaken and therefore the time spent should be identified by the activity - e.g. 'Research' or 'Management'. Non-FP7 project activities (e.g. other research, teaching, admin, etc) must be included as a separate 'project' so that the total amount of hours worked (productive hours) on the EU project can be identified. Staff should complete their timesheets on a regular basis and sign each monthly record. The timesheet should then be passed to the Principal Investigator for checking and for signing. Time spent on annual leave, sickness leave and statutory/customary holidays must also be recorded e.g. bank holidays, University closure days.The Principal Investigator’s own timesheet should be checked and signed-off by their HoD. Completed and authorised timesheets should be collected and stored by the department or project administrator and a copy of the timesheets should be sent to central RSO.

For information the calculation of productive hours for Lancaster University is:

|  |  |
| --- | --- |
| Days in a year | 365 |
| Weekends | -104 |
| Annual leave | -25 |
| University closure days | -6 |
| Statutory Bank Holidays | -8 |
| Illness | -8 |
| Total working days | 214 |
| **Total Hours per year** | **1605** |

**Ineligible costs**

The Grant Agreement provides details of the ineligible costs and one of the most important to be aware of is VAT. UK VAT can be identified in Agresso and will be excluded from any claim made to the Commission. However, identification of non-UK VAT is more difficult. Non-UK VAT is likely to be included in certain types of travel or subsistence expenses. When the travel expenses are reclaimed via the University expense claim form any identifiable tax shown on the receipts should be coded separately to account code **1715**. When a cost statement for reimbursement of expenditure is then prepared for the project any non-UK VAT/taxes can be easily identified as it will appear in Agresso under this account code and so can then be excluded from our claim.

**Travel Expenses**

As noted in the paragraph above, identification of non-UK VAT is necessary on travel expenses. It is also important that there is evidence to support that the travel for which costs have been charged to the project account actually took place and was for the purpose of the project. Providing supporting documentation to prove that a trip was necessary and actually undertaken for the purpose of the project could include the following:

* keeping the boarding cards for flights
* meeting agendas
* attendance list and minutes of meetings
* email correspondence with the coordinator/partner hosting the meeting

This is not an exhaustive list and there may be other types of evidence or supporting documentation to prove that the travel was for project purposes. It is important that this information is recorded and kept by the PI in the event that it may be requested during an audit.

Occasionally travel costs are charged to the project account but then for some reason the trip is cancelled and travel does not take place. In such cases it is important that these costs, for example non-refundable flights, are identified and subsequently charged elsewhere so as to avoid claiming for these non-eligible costs on the next cost statement.

Often hotels are booked and paid for in advance via the internet. In this case there is a record that the booking was made and paid for but not that the stay actually took place. When checking out after a hotel stay it is important that an invoice is requested as this is the evidence that the booking was actually used on the original date.

The RSO provides advice and support for research projects so please do not hesitate to contact the office if you need clarification on any of these points.

1. This applied to FP 7 and possible future framework programmes. [↑](#footnote-ref-1)