



# Financial and budgetary considerations



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# CONTENT

- Basic concepts
- The funding schemes (by action type):  
eligibility and funding rates
- Example of maximum/requested grant  
calculations
- Useful info



# Cost reimbursement

- **H2020 framework programme rules**
- **Simplified cost model:**
  - 100% of eligible direct costs (specific costs directly linked to the performance of the action)
  - +**
  - 25% of eligible direct costs as overheads (indirect costs)
- **One (EC delegated) derogation from RoP for RIA and CSA actions (large industry not funded)**



# The funding schemes

Action type	Funding rates
Coordination and Support Actions (CSA)	100% (n/a for large industry)* Only SME's, secondary and higher education establishments, non-profit legal entities, the JRC, international European interest organisations can request funding
Research and Innovation Actions (RIA)	
Innovation Actions (Demo and Flagships)	70% (Exception: eligible costs of non-profit beneficiaries may be reimbursed at 100%)
*as per Derogation from H2020 RoP	

# In-kind contributions

## (Part A of proposal)

- “consist of costs incurred by BIC members in implementing indirect actions less the contribution of the BBI JU and any other Union contribution to those costs. The costs of implementing actions are calculated using the simplified cost model of Horizon 2020 (i.e. 100% of direct costs plus 25% of direct costs as overheads). The in-kind contributions made available in the context of BBI-JU projects correspond therefore to the notion of external co-financing as described in the EU Financial Regulation”
- Include costs for staff, equipment, consumables, etc.



# Additional activities

## (Part B of proposal)

“costs and investments of BIC members in accordance with the annual additional activities plan and outside of the BBI JU work plan and therefore the calls for proposals - **such as investments in infrastructures, facilities, durable equipment as well as non-innovative processes by the consortium partners –which may contribute to reaching the overall objectives of the BBI Joint Technology Initiative.** The related costs are **not eligible for financial support by the BBI JU.** They can be accounted according to the usual cost accounting practices of the partners contributing them”



# Innovation (flagship) (1/8)

Participant	(A) Direct perso costs/€	(B) Other direct costs/€	(C) Direct costs of subcontracting/€	(D) Indirect costs/€ =0,25(A+B+C)	(E) Total est. eligible costs/€	(F) Reim b rate (%)	(G) Max grant/€ (E*F)	(H) Requested grant/€
UNIV								
INDUSTRY (1,2,3,...)								
SME								
<b>TOTALS</b>								



# Innovation (flagship) (2/8)

Participant	(A) Direct perso costs/€	(B) Other direct costs/€	(C) Direct costs of subcontracting/€	(D) Indirect costs/€ =0,25(A+B+C)	(E) Total est. eligible costs/€	(F) Reim b rate (%)	(G) Max grant/€ (E*F)	(H) Requested grant/€
UNIV	400 000	250 000	0					
INDUSTRY (1,2,3,...)	750 000	3 650 000	325 000					
SME	450 000	250 000	0					
<b>TOTALS</b>								





# Innovation (flagship) (3/8)

Participant	(A) Direct perso costs/€	(B) Other direct costs/€	(C) Direct costs of subcontracting/€	(D) Indirect costs/€ =0,25(A+B+C)	(E) Total est. eligible costs/€	(F) Reim b rate (%)	(G) Max grant/€ (E*F)	(H) Requested grant/€
UNIV	400 000	250 000	0	162 500				
INDUSTRY (1,2,3,...)	750 000	3 650 000	325 000	1 100 000				
SME	450 000	250 000	0	175 000				
<b>TOTALS</b>								



# Innovation (flagship) (4/8)

Participant	(A) Direct perso costs/€	(B) Other direct costs/€	(C) Direct costs of subcontracting/€	(D) Indirect costs/€ =0,25(A+B+C)	(E) Total est. eligible costs/€	(F) Reimb rate (%)	(G) Max grant/€ (E*F)	(H) Requested grant/€
UNIV	400 000	250 000	0	162 500	812 500	100	812 500	
INDUSTRY (1,2,3,...)	750 000	3 650 000	325 000	1 100 000	5 825 000	70	4 077 500	
SME	450 000	250 000	0	175 000	875 000	70	612 500	
<b>TOTALS</b>					<b>7 512 500</b>		<b>5 502 500</b>	



# Innovation (flagship) (5/8)

Participant	(A) Direct perso costs/€	(B) Other direct costs/€	(C) Direct costs of subcontracting/€	(D) Indirect costs/€ =0,25(A+B+C)	(E) Total est. eligible costs/€	(F) Reim b rate (%)	(G) Max grant/€ (E*F)	(H) Requested grant/€
UNIV	400 000	250 000	0	162 500	812 500	100	812 500	
INDUSTRY (1,2,3,...)	750 000	3 650 000	325 000	1 100 000	5 825 000	70	4 077 500	
SME	450 000	250 000	0	175 000	875 000	70	612 500	
<b>TOTALS</b>					<b>7 512 500</b>		<b>5 502 500</b>	

**1) Minimum in-kind contrib. (industry + SME) = 30% of total eligible costs (not reimbursed) = Total eligible costs of Industry + SME minus Max. grant Industry + SME = €2.010.000. (Industry in-kind = €1.747.500)**

# Innovation (flagship) (6/8)

Participant	(A) Direct perso costs/€	(B) Other direct costs/€	(C) Direct costs of subcontracting/€	(D) Indirect costs/€ =0,25(A+B+C)	(E) Total est. eligible costs/€	(F) Reim b rate (%)	(G) Max grant/€ (E*F)	(H) Requested grant/€
UNIV	400 000	250 000	0	162 500	812 500	100	812 500	812 500
INDUSTRY (1,2,3,...)	750 000	3 650 000	325 000	1 100 000	5 825 000	70	4 077 500	3 203 750
SME	450 000	250 000	0	175 000	875 000	70	612 500	612 500
<b>TOTALS</b>					7 512 500		5 502 500	7 302 500

**2) Additional in-kind contribution: the requested grant (column H) is €873.750 less than the max. grant (column G).**

**→ Total minimum and additional in-kind = €2.010.000 + €873.750 = €2.883.750 (38%) of total budget).**

# Innovation (flagship) (7/8)

Participant	(A) Direct perso costs/€	(B) Other direct costs/€	(C) Direct costs of subcontracting/€	(D) Indirect costs/€ =0,25(A+B+C)	(E) Total est. eligible costs/€	(F) Reim b rate (%)	(G) Max grant/€ (E*F)	(H) Requested grant/€
UNIV	400 000	250 000	0	162 500	812 500	100	812 500	812 500
INDUSTRY (1,2,3,...)	750 000	3 650 000	325 000	1 100 000	5 825 000	70	4 077 500	3 203 750
SME	450 000	250 000	0	175 000	875 000	70	612 500	612 500
<b>TOTALS</b>					<b>7 512 500</b>		<b>5 502 500</b>	<b>7 302 500</b>

**3) The industry partner also contributes €20 M in additional activities (not included in budget table Part A but in part B (section 2.2)). So total investment is (€7.512.500 + 20.000.000) = €27.512.500, of which €22.883.750 (€2.883.750 in-kind + €20.000.000 additional act.) or 300%, is contributed by the industry and SME partners.**



# Innovation (flagship): RECAP (8/8)

Participant	Total est. eligible costs/€	Reimb rate (%)	Max grant/€	Minimum in-kind/€: 30% of eligible costs NOT funded	Additional in-kind/€: industry requests lower funding (€4 077 500 - €3 203 750)	Additional activities/€: Industry brings AA €20 M	TOTAL INVESTMENT /€
UNIV	812 500	100	812 500				
INDUSTRY (1,2,3,...)	5 825 000	70	4 077 500	1 747 500	873 750	20 000 000	22 621 250
SME	875 000	70	612 500	262 500			262 500
<b>TOTALS</b>	<b>7 512 500</b>		<b>5 502 500</b>	<b>2 010 000</b>	<b>873 750</b>	<b>20 000 000</b>	<b>22 883 750</b>

**TOTAL INVESTMENT (eligible costs incurred + AA): €7.512.500 + €20.000.000 = €27.512.000**

**INDUSTRY + SME CONTRIBUTION: €22.883.750, or 300% of the total budget**



# Grant preparation

Your proposal is taken "as is"  
(evaluated as submitted not on its potential  
if certain changes were to be made)

## **Bear this in mind when preparing the proposal:**

- Don't be opportunistic
- Keep the budget "lean and mean" (no inflation)
- Ensure the figures are accurate, realistic and well-justified

 Otherwise your proposal will be downgraded at the evaluation stage. The ultimate risk is NO FUNDING



# USEFUL INFO

- AMGA - Annotated Model Grant Agreement (funding rates and eligible costs)  
[http://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/amga/h2020-amga\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf)
- The BBI JU Guide for Applicants (eligibility criteria, financial regimes and examples of maximum grant calculations) (see Participant Portal, call 1)



# Thank you for your attention!

I hear and I forget.

I see and I remember.

I do and I understand.

Confucius

