



GUIDELINES FOR BIC-MEMBERS REGARDING THEIR FINANCIAL CONTRIBUTIONS TO THE BBI JU OPERATIONAL COSTS

1. Definitions

BNRF

Constituent entity of BIC participating in a BBI JU action are defined as "**B**eneficiaries **N**ot **R**eceiving **J**U **F**unding" in the meaning of Art. 9 of the BBI JU Model Grant Agreement, i.e. they are not eligible to receive JU funding (large companies in RIAs) or (when eligible) request zero JU funding. These beneficiaries, BIC-members who need to make contributions to the BBI JU operational costs, will be referred to as BNRF throughout this document. BNRF are entitled to report contributions to the operational costs of the BBI JU, meaning in kind and/or financial contribution referred to in Art. 12(3)(b) and (c) of the Statutes annexed to the BBI JU Council Regulation.

BRF

Organisations participating in a BBI JU action as 'beneficiaries receiving JU funding' (it can be a BIC member or not). BRFs can also be recipient of a financial contribution from BNRF to support costs incurred in the same action.

Financial Contribution

In line with Article 12(3)(b) of the BBI JU Council Regulation, a financial contribution ('in-cash) is a financial transfer which is made by a BNRF to:

- a) the BBI JU directly (at programme level), or
- b) a BRF to support, in full or in part, the BRF's costs in the implementation of a given action (at project level) in which both, BNRF and BRF participate.

Financial contributions are reported by BNRF as part of its contribution to the operational costs of the BBI JU, along with in-kind contributions. Additionally, in the case of (b):

- in order to count as a financial contribution, it must be properly reported by BNRF,
- such financial contribution must also be reported by the BRF as receipt (Art. 5.3.3 and 20.3(b) of the BBI JU MGA).

2. General Principles

When establishing the value of these financial contributions **BIC members** must comply with:

- their usual costs accounting practices of the entities concerned,
- the applicable accounting standards of the country where the entity is established and

- the applicable International Accounting Standards and International Financial Reporting Standards.

At proposal level, the financial contributions must be included in the appropriate table in part B of the proposal (section 3.4), including a direct reference to the description of activities carried out by the receiver of the contribution. Furthermore, the total amount of these financial contributions shall be included part A of the proposal.

At project level the financial contributions are based on an agreement between BNRF and the recipient BRF. Such agreement may be constituted by the GA annex 1, Consortium Agreement or a bilateral/multilateral agreement. The agreement must stipulate the amount, tasks and deliverable in line with the Annex 1 of the specific GA. It should also state that the tasks shall be carried out in accordance with the provisions of the GA.

3. Financial contribution from a BNRF to a BRF in the same action

In cases where a BNRF makes a financial contribution to beneficiary BRF, this contribution (in-cash) can be recognised as a contribution towards BBI JU operational costs as established in 12.3.c) of the Statutes of BBI JU Council Regulation. From the perspective of the applicable obligations of the GA such contribution will be treated as JU funding.

Only activities/tasks which are identified in the Annex 1 of the specific GA and are not already reimbursed by the JU, or other EU funding sources, may be financially supported by another beneficiary. As stated in point 2, the financial contributions at project level is based on an agreement¹ between BNRF and the recipient BRF.

In accordance with the BBI JU MGA (Articles 5.3.3 and 20.3.b) the recipient of the financial contribution will have to report such contribution as a receipt in its individual financial statement of the last reporting period. It will also report the corresponding costs (activities described in the DoA) covered by the financial contribution.

The beneficiary giving financial contribution shall report the amount of the financial contribution.

Example: a BNRF provides a financial contribution to a University, which is a beneficiary receiving JU funding (BRF), to cover some costs of the latter (e.g. for hiring a post-doc to carry out specific project tasks,) in accordance with Annex 1 to relevant BBI JU GA. The amount of the financial contribution will be reported by the BNRF as part of its contribution to the operational costs of BBI JU. The BRF will report costs it incurred in action subject to the reporting obligations established for beneficiaries receiving funding (Article 20 of the BBI JU GA). Subject to the requirements set out in Art. 5.3.3 of BBI JU GA, the BRF shall also report the amounts received as receipts (to the extent they cover its eligible costs). Consequently, the costs covered by the BRF with the financial contribution are also subject to the eligibility criteria established in the GA, Art. 6.

¹ See point 2, such agreement may be constituted by the GA annex 1, Consortium agreement or a bilateral/multilateral agreement.

4. Financial transfer from a BNRF to another BNRF

Where BNRF makes separate arrangements to financially support part of or all the costs incurred by another beneficiary not receiving funding, such arrangements will not be considered as financial contributions.

The BNRF identified as the one “receiving” the financial contribution shall report the costs incurred on the project, included the ones covered by the financial contributions, as its in-kind contribution to BBI JU.

Example: *The BNRF (company A) provides a financial transfer to share part of the costs for the resources (staff working on the project) which the other BNRF (company B) has allocated to the project. The financial transfer from the company A is not reported by the company A as part of its contribution to the operational costs in the Financial Statement to the JU. On the contrary, the company B will report the costs for its staff working on the project as in kind contribution to the JU.*