



FINANCIAL GUIDELINES FOR PRINCIPAL INVESTIGATORS OF RESEARCH PROJECTS FUNDED BY THE EUROPEAN COMMISSION

UCD Research Finance Office

Version: February 2019

1. Personnel

Timesheets are required for all research funded staff (with the exception of Marie Curie fellows dedicated 100% to a project), all permanent staff who are claiming salary costs from a project and/or are required to demonstrate a time commitment to a project, and all students whose scholarships and/or tuition fees are funded by an EC project. RFO provide the template for these and this template should be used in all cases. An exception to this is in the case of staff paid on an Ad Hoc, or Hourly paid basis. In these instances, a print-out from ESS, or a copy of the Ad Hoc payment form will suffice instead. A second exception may be in cases where a researcher is funded by an EC non-framework project which has its own time recording stipulations. Timesheets should accurately record:

1. Hours spent on each Work Package of each EC project;
2. The sum total of hours spent on non-EC activities;
3. All absences including public holidays, UCD closure days and annual leave.

It is an EC audit requirement that each month is signed in ink by the staff member concerned and authorised by the PI, and in the case of the PI, authorised by his/her line manager. Signatures should also be dated on the day of signature, which should be within a reasonably short timeframe after the end of the month concerned. Electronic signatures are not accepted by EC auditors.

Timesheets should be maintained on a monthly basis and forwarded to the RFO on a quarterly basis. Once reviewed by RFO, the timesheets should then be printed, signed, authorized and dated and submitted either electronically, or in hard copy to RFO.

Unsigned or unauthorized timesheets are not EC audit compliant and, as such, pay costs associated with periods not covered by fully signed and dated timesheets are subject to rejection by EC auditors.

There is a timesheet template for each calendar year and these are available here: <https://www.ucd.ie/bursar/bursarsoffice/researchfinanceoffice/post-awardfinance/eufp7andh2020financialdocuments/>

Research Funded Staff

All appointments should be in accordance with the usual UCD HR policy. For information please see here:

<https://www.ucd.ie/hr/resourcing/researchfundedresourcing/>

In the event of an audit by the EC, it must be possible to demonstrate that a researcher has the necessary qualifications to work on an EC funded project and that they have genuinely worked on the project to the level indicated on the timesheets. CVs, job descriptions, lab books, log books, publications, professional online profiles may be reviewed and researchers will be interviewed by EC appointed auditors.

Staff paid on an hourly basis via ESS online timesheets may be charged to an EC project once the hourly rate is not significantly different to that of staff performing similar tasks under a Contract of Employment.

Recruitment costs

The costs of recruiting staff are only an eligible cost for European Research Council (ERC) projects; they cannot be charged to FP7 RTD projects or Horizon 2020 RIA projects.

PhD Students

Student scholarships and fees may be funded from an EC budget once it is in accordance with the Grant Agreement, the PhD student has the necessary skills for the performance of the project tasks, and they complete timesheets. For details of how to set-up scholarship payments please see here:

<https://www.ucd.ie/bursar/bursarsoffice/researchfinanceoffice/post-awardfinance/scholarshipset-up/>

Both the scholarship payments and fees are considered pay costs under EC funding rules, and as such, can only be recovered from the EC for months where the student was active on the project and where there is evidence to substantiate their involvement (eg. timesheets). In order to comply with this rule, the fee charge is pro-rated over the twelve month enrollment term and claimed from the EC for months where timesheets have been submitted. This means that if the enrolment term extends beyond the end of the project, or the student leaves UCD within the enrolment period, the element of fee relating to the ineligible months cannot be funded from the EC project and must be covered from another source of funding (or recouped from the Fees Office if the student has left UCD).

Parental Leave

Pay costs associated with parental leave may be claimed from the EC in proportion to the percentage of time that the staff member taking the leave dedicated to the project in the period from the beginning of the financial year to the start of the leave. For example, if a researcher spent 50% of their time on the EC project prior to their leave, 50% of the pay costs incurred during the leave may be recovered from the project. However, please note that it may not be possible to claim these costs from the EC if a replacement hire is required for the project (ie. it will be budget dependent). Pay costs associated with parental leave which are not funded by the EC will be transferred to a central social costs fund.

End of contract

Staff or students who leave UCD before the conclusion of the project(s) from which they were funded should provide signed timesheets prior to their departure.

Please be aware that the EC will not fund payments to staff in lieu of annual leave (holiday pay), meaning, where possible, staff should take their annual leave before the expiry of their contract. Any holiday pay charged to an EC account will need to be transferred to a School cost centre.

While not an eligible cost, statutory redundancy payments will be charged to the research account before being transferred to a central social costs fund as this cost cannot be claimed from the EC.

2. Procurement

All expenditure should be incurred in accordance with UCD's procurement policy. For information please see here – <https://intranet.ucd.ie/procure/resources-and-forms/policies-and-procedures/index.html>

UCD is subject to EU and National Public Procurement legislation and all staff with responsibility for purchasing should be familiar with the purchasing thresholds effective from 1st January 2018 as follows:

- **Less than €5000** - Obtain verbal quotes from a minimum of 2 companies (best practice is to seek a minimum of 3 quotes)
- **€5,000 to €24,999** - Obtain at least three written quotes
- **€25,000 to €220,999** - National tender required / managed by UCD Procurement and Contracts Office
- **Greater than or equal to €221,000** - EU tender required / managed by UCD Procurement and Contracts Office

Note: Figures above are excluding VAT

Assistance with procurement can be obtained either from your School/area buyer, or directly from the UCD Procurement & Contracts Office (procurement@ucd.ie).

Where quotations or tendering is required, PIs should keep copies of all tendering documents, score sheets, and written competitive quotations, and make these available to RFO in the event of an audit. These documents are necessary in order to have the costs subject to these procurement procedures accepted on the project by the auditor.

VAT

VAT is not refundable to Horizon 2020 research accounts as it is funded by the European Commission. Therefore, the cost of VAT is borne by the research account and as such, the VAT element on purchases of VATable goods and services should be taken into account for budgeting purposes. The standard rate of VAT for most goods and services is currently 23%.

Please note that UCD has a statutory obligation to collect VAT on invoices from foreign suppliers. 23% VAT is therefore charged to research accounts for all VATable goods and services procured from abroad, even where the invoice itself does not state a VAT amount. This is passed from UCD to the Irish Revenue.

3. Subcontracting

Any work directly relating to the delivery of an action task provided for in the project's Grant Agreement which is carried out by an external entity, off of UCD premises constitutes subcontracting. Such costs are only eligible if:

1. They are provided for in the Grant Agreement;

2. The company engaged to carry out the work was engaged in accordance to UCD procurement policy (see section 2 above);
3. A Subcontracting Agreement is put in place between UCD and the company concerned before the commencement of the work.

Following the conclusion of the procurement procedure and selection of the successful bidder, UCD Research & Innovation should be contacted in order to prepare a Subcontracting Agreement (grantreg@ucd.ie).

Please retain copies of all tendering documents for audit purposes.

4. Equipment

Equipment should be purchased at an early stage within the project's life cycle and in cases where the full cost is borne by the project, it should be possible to demonstrate that the item(s) were used exclusively for the project in the event of an audit.

Items of equipment costing €5,000 (**incl. VAT**) or more are subject to depreciation as follows:

- Scientific equipment over an expected useful life of 5 years
- Computers over an expected useful life of 3 years

The cost of items of equipment which are subject to depreciation is claimed from the EC over the term of the item's expected useful life; therefore, if the project ends before the depreciation term of the item, there will be an unfunded amount which will need to be covered by the School. It is therefore advisable to arrange purchase of such items of equipment as soon as the project begins.

Please also refer to section 2 above for procurement and documentation requirements in relation to equipment purchases.

5. Travel

All travel expenditure must adhere to UCD's travel policy. For information please see here - <https://www.ucd.ie/bursar/bursarsoffice/staffexpenses/>

Travel costs funded by an EC project should be further evidenced as follows:

1. The dates of travel should be recorded as productive hours for the project on the timesheets;
2. Proof of travel should be retained in the event that the travel costs charged to the project were based exclusively on invoices or advance booking confirmations (eg. Boarding passes, local receipts etc.);
3. The claimant's involvement in the project should be demonstrable;
4. Evidence that the event giving rise to the travel actually took place should be retained (eg. Minutes of meetings, certificates of attendance etc.);
5. Where there are discretionary costs such as tips, or personal costs such as accommodation for additional days, or costs for family members, it should be possible to show that these were not charged to the project.

6. Internal Charges

Internal charges should fulfil the following criteria:

1. Costs must be directly traceable to original invoice;
2. The UCD unit providing the service must be able to provide a breakdown of the costing of the rate charged;
3. It must be possible to demonstrate that the rate contains no overhead element or mark-up.
4. The unit must be able to provide a service/usage record that links directly to the project showing dates, number of units, researcher name etc;

Please contact RFO for specific advice on internal charges.

7. Internal Transfers between Accounts

In principle, internal transfers between accounts (journals) should be kept to a minimum. For audit purposes, eligible costs should be assigned to the appropriate research account at the point that the cost is first incurred. However, if eligible project costs have been coded to another account in error, or conversely, ineligible costs have been charged to your research account, a journal request should be sent to RFO in order to move these costs. For audit purposes, such transfers should be fully justified on the journal request form (see here: <http://www.ucd.ie/bursar/forms.html>). Please note that this may be queried by auditors at a later date.

It is the responsibility of the PI, or his/her nominee, to monitor account expenditure via InfoHub on a regular basis and arrange for corrective action to be taken should errors be detected. Please note that cost adjustments after the project end-date may not be possible.

8. Indirect Costs

Indirect costs, or overheads, are awarded on a flat rate based on a percentage of actual direct costs reported to the EC. The EC anticipate that these cover, among other things, standard desktop computers, standard printers and cartridges, stationary, and other general office supplies. As a result, such items should not be charged to EC funded research accounts unless they have been included in the proposal budget approved by the EC.

9. Allocation of payments from the EC to Research Accounts

In cases where UCD is the sole beneficiary of an EC award, or is a partner in a collaborative project, RFO will allocate the EC payments to the research account.

In cases where UCD is the coordinator of a collaborative project, RFO will facilitate the distribution of payments to partners once instructed by the PI/School.

10. Marie Skłodowska-Curie Actions

The above provisions also apply to MSCA Projects with two notable exceptions:

1. RFO calculate the salary for MSCA fellows based on the flat rates awarded by the EC. Please contact RFO to obtain this figure before submitting the Online Hiring Form;
2. MSCA fellows are obliged to work exclusively on the action under the terms of both the MSCA grant agreement and their respective contracts of employment;
3. All MSCA fellows should be issued with a Contract of Employment specific to their MSCA fellowships prior to taking up the fellowship. In cases where the fellow is an existing UCD staff member, the same requirement prevails; however, in certain circumstances it may instead be possible for UCD HR to issue an award letter augmenting the existing contract of employment. UCD HR should be contacted in advance of the commencement of the fellowship for such an arrangement;

4. Timesheets are not required for MSCA fellows. However, in the event of an audit, it must be possible to demonstrate that the fellow actually committed 100% his/her time to the project by alternative means (lab books, log books, publications, online professional profiles, via interview etc.).

11. Reporting to the European Commission

For research projects and MSCA fellowships coordinated by UCD, or where UCD is the sole beneficiary, responsibility for completing the **technical reports** (periodic reports, mid-term reports, finals reports etc.) lies ultimately with the Principle Investigator or his/her nominee. All reports to the EC are completed electronically via the EC Participant Portal (<http://ec.europa.eu/research/participants/portal/desktop/en/home.html>).

Responsibility for the **financial reporting of UCD expenditure** (but not the expenditure of partners on collaborative projects coordinated by UCD) lies with the RFO in cooperation with the PI and his/her School.

The coordination of the financial reporting of partners on projects led by UCD is a project management function performed by the School. The cost of a project manager may be funded by the project once provided for in the budget.