

Workshop Full Cost Model for FP7

The workshop is organised by UNICA and will take place at the University of Cyprus, New University Campus, Maths Department, Room 023, Nicosia.

1. Workshop

DAY 1: Thursday 20 November

Calls closing before January 1st 2010 provide the last opportunity to profit from the 60% flat rate for indirect costs. After this date the flat rate may drop to a minimum of 40%.

In FP7 most universities have opted for the 60% flat rate. The financial consequence of the flat rate adjustment will have a negative financial consequence for these universities: the EU reimbursement will drop by 15% in the worst scenario. We have done some calculations on the effects of this decreased reimbursement for flat rates which show how serious this can be.

By lowering the 60% flat rate, the European Commission is stimulating universities to switch to a full cost model based on real indirect costs. This switch will provide the European Commission the financial information to justify the EU reimbursements and to co-finance infrastructures of universities, necessary for building a European Research Area.

DAY 2: Friday 21 November

The foundation for creating a positive cash flow in a FP7 project is being built when drafting Part B2, *allocation and justification of resources*, and Part A3, *Budget and EU reimbursement*. The DESCA consortium agreement, used by most universities and research organisations, has additional financial provisions which require some careful planning and considerations.

Financial management of an EU project is a complex task for any coordinator or beneficiary in a FP7 project. The financial provisions of the Grant Agreement for FP7 have undergone some fundamental changes which are becoming clear now that many projects have been awarded and start to distribute the pre-financing to the beneficiaries.

We will discuss the consequences of one costing system for all entities, reimbursement rates, guarantee fund, pre-financing, interim payments, eligible costs, time recording, invoices, interest, receipts, depreciation of equipment, subcontracting, financial statements, certificates and audits.

Discussion will also include the consequences of incorporating licensing fees and other payments to and from consortium members.

3. Who should attend?

The workshop will be of value for to anyone responsible for financial administration of EU projects and/or other research projects. The Workshop is also useful for those responsible for preparing universities and research institutes for participation in FP7. The course is open for EU Research Liaison Officers, Research Advisors and Financial Officers from the UNICA Member universities. All attendees should have (extensive) experience in working with EU/FP-projects, with respect both to financial as well as administrative issues.

Number of attendees: 30 to 40*

4. Methodology

The seminar will be in English, with no translation. Periods of discussion are included in the programme to promote exchange of views between participants and trainers.

5. Yellow Research Workshop Programme

DAY 1

14.00-15.45 **Costing Principles**

Legal and accounting rules
Eligible Direct and Indirect Costs

Building Blocks for a Full Cost Model

Development of a solid time recording system

Identifying Indirect Costs through fiscal year reports, including a quick scan

Group Task and analysis

15.45-16.15 **Coffee & Tea Break**

16.15-18.00 **More on Building Blocks**

Dividing indirect costs based upon their cost drivers

Categorising cost pools. Allocating the indirect cost to the organisation's main activities

Tools for analysing fiscal year reports

Road map to a Full Cost Model

Summary and Conclusion Part IV

DAY 2

10.00-11.45 **Project Budgeting**

Budgeting A3 and justification

Activities, work packages, tasks

Group task and analysis

Cash Flow: how to maintain a positive cash flow

Pre-financing

Interim payments

Consortium payment schedules (DESCA)

11.45-12.15

Coffee & Tea Break

12.15-14.00

Financial Statements and Audits

Role and responsibilities of coordinator and beneficiaries

Summary

Questions and Answers

6. Trainers

This workshop will be led by Lotte Jaspers and Mette Skraastad.

Lotte and Mette are founding partners of Yellow Research together with Jet van Dijk. Yellow Research is a company focused on consultancy and training in the field of FP7 and academic-industrial collaborations.

For the Dutch University Association Yellow Research has advised on a revision of the Dutch model for full cost calculations. Lotte and Mette have assisted in the debate of the university controllers and financial administrators in identifying the differences and similarities on the full cost models of the Dutch universities.

For the UK TRAC system, Yellow Research has been consulted on the FP7 requirements and how the UK TRAC system could be adapted to fulfil the FP7 requirements. The outcome was an adapted TRAC model, the EC-FP7 variant, which is currently being tested by University College London.

7. Course fee

Free of charge for UNICA Members.

8. Practical Information

The event is only open to UNICA Universities.

*Please notice that participation is limited to two members per Member University.

Registration form and Agenda of the 3rd UNICA meeting for the EU Research: see attached documents.