



# Financial Reporting

- **Purpose** → provide EC officers with **clear and precise information for approval** of activities and costs.
- **Financial report** → **refers to** the provisional budget of the **proposal**, the outcome of the **negotiation process** which is translated in the **Grant Agreement**.
- **Financial report** → **reflects the quality of the financial management**.



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# FP7

# Financial Rules

First INCO Conference: "Supporting Research Integration"

THIS PRESENTATION IS NOT LEGALLY BINDING





# Eligible Costs

- **Eligible costs must be:**
  - **Actual** (special case for personnel costs (average))
  - **Incurred** by the beneficiary during duration of project
  - in accordance with the beneficiary's **usual accounting and management principles**
  - **Recorded in the accounts of beneficiary** (during the period of reference excepted for specific costs related to the production of the final report (60 days after the end of the project))
  - Dedicated to the **sole purpose of achieving the objectives** of the project
  - Planned in the **provisional (or amended) budget or agreed on by PO/FO**



# Eligible Costs

**Eligible costs are classified in specific FP7 headings :**

- staff,
- travel,
- durable equipment (! **Depreciation** !),
- subcontracting,
- consumables,
- certificates costs, all these being direct costs,

**ALL DIRECT COSTS  
DECLARED MUST  
ALWAYS BE REAL**

(not rounded, not averaged)

- Indirect cost (**different types according to calculation method**)

**Organise your financial monitoring on this basis !**



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# Not Eligible Costs e.g.

- **Identifiable indirect taxes including VAT**
- **Duties (tax on imported items)**
- **Interest owed**
- **Exchange losses**
- **Costs declared reimbursed in respect of another Community project**
- **debt and debt service charges, excessive or reckless expenditures**
- **Etc.**



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# Information

- **Find a document** →  
[http://cordis.europa.eu/fp7/find-doc\\_en.html](http://cordis.europa.eu/fp7/find-doc_en.html)
- **FP7 Enquiries Service** →  
<http://ec.europa.eu/research/enquiries>