



**CLEAN AVIATION**

**CAJU  
Financial Workshop  
CS2 GAMs closure**

*24<sup>th</sup> January 2024*



**Co-funded by  
the European Union**



|               |  |
|---------------|--|
| 09:30 - 09:35 | <b>WELCOME</b>   |
| 09:35 - 10:00 | <b>CS2 GAM closure - Reporting requirements</b>  |
| 10:00 - 10:45 | <b>Cost declaration - Focus on specific items</b>  |
| 10:45 - 11:00 | <b>Q &amp; A session</b>   |
| 11:00 - 11:15 | <b>COFFEE BREAK</b>  |
| 11:15 - 11:30 | <b>Other financial aspects</b> <ul style="list-style-type: none"><li>• In-Kind contributions</li><li>• Contribution to the JU administrative costs</li><li>• Anti fraud measures and awareness</li></ul> |
| 11:30 - 12:00 | <b>Operational aspects</b>   |
| 12:00 - 12:10 | <b>Legal aspects</b>   |
| 12:10 - 12:25 | <b>Q &amp; A session</b>   |
| 12:25 - 12:30 | <b>CLOSURE</b>   |



# HOUSEKEEPING RULES



- If possible, use a headset or headphones with a microphone to reduce background noise



**MUTE AS DEFAULT**  
to prevent background noise

- Please keep your computer microphones / telephones on "mute" until you want to ask a question to avoid background noise or conversations being heard by the entire audience

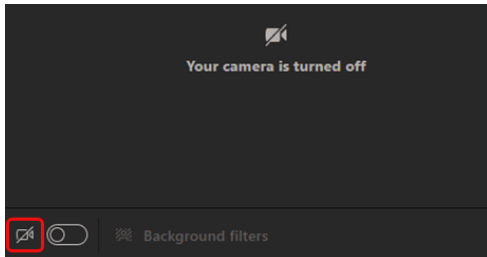


**RAISE HANDS**  
for Q&A and interventions

- Questions will be replied during the specific Q&A sessions
- At the start of the specific Q&A session raise your hand if you wish to take the floor



USE THE CHAT  
for questions



# HOUSEKEEPING RULES



- Questions can also be asked at any time via the chat function in TEAMS
- Please note that your camera will be turned off to avoid any performance issues when displaying the slides
- There will be a coffee break: please be back on time

## CONTACT THE JU AFTER THE WORKSHOP

For any further questions, please send an e-mail to:

[finance@clean-aviation.eu](mailto:finance@clean-aviation.eu)

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure





CLEAN AVIATION

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure



- **CS2 GAM closure - Reporting requirements**
- **Cost declaration - Focus on specific items**
- **Other financial aspects**
  - **In-Kind contributions**
  - **Contribution to the JU administrative costs**



Co-funded by  
the European Union

## ➤ Deadline for submission : March / June / Sept 2024

| RP                          | 01/01/2023 to<br>31/12/2023 | 01/01/2023 to<br>31/03/2024 | 01/01/2024 to<br>30/06/2024 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                             | Deadline for submission     |                             |                             |
| GAM ITDs                    | 01/03/2024                  | 01/06/2024                  | 01/09/2024                  |
| LPA                         |                             | FP 2023-24                  |                             |
| REG                         |                             | FP 2023-24                  |                             |
| FRC                         |                             | FP 2023-24                  |                             |
| AIR                         |                             | FP 2023-24                  |                             |
| ENG                         |                             | FP 2023-24                  |                             |
| SYS                         | FP 2023                     |                             |                             |
| TE                          | IP 2023                     |                             | FP 2024                     |
| ECO                         |                             | FP 2023-24                  |                             |
| SAT                         | FP 2023                     |                             |                             |
| Payment by JU<br>(foreseen) | Q2 2024                     | Q3 2024                     | Q4 2024                     |



➤ **Interim report for TE2:** Reporting of costs claim 2023

- ✓ Financial statement 2023
- ✓ Adjustment on previous period

➡ **Interim payment** (if 90% threshold not reached yet) in Q2

➤ **Final reports:** Reporting of costs claims 2023-2024 (last reporting period):

- ✓ Financial statement 2023-2024
- ✓ Adjustment on previous period
- ✓ **CFS + CTPC** (if required)

➡ **Final payment** by JU in Q2 or Q3 2024: **Payment of the balance** (10% or more of total grant value) + release of the **MiM**

➤ **End 2024: closure of CS2 programme**

➤ **From end 2024:**

- possible implementation of ex post audit results (direct recovery to beneficiary)



## Reminder

- ✓ If costs 2020-2021 were covered by a CFS
  - No** correction of costs claims is possible, except
    - For re-submission of costs **provisionally rejected** (missing deliverables) can be done, if the work has been achieved in full
    - For rejected costs or auto-limitation due to **budget limitation (capping)**,
    - For **error or missing invoice** at the time of the reporting (accruals) related to activities included in the GAM
      - !!! => Should be covered by new CFS !!!
- ✓ If costs 2020-2021 were not covered by a CFS
  - Corrections of costs claims are possible (CFS corrections at final period, mistakes, correction of TPC etc)
  - Re-submission of costs provisionally rejected (missing deliverables) if work has been achieved in full
  - For rejected costs or auto-limitation due to **budget limitation (capping)**,

## Reminder

✓ For costs 2022

- Corrections of costs claims are possible (CFS corrections at final period, mistakes, correction of TPC etc)
- Re-submission of costs provisionally rejected (missing deliverables) if work has been achieved in full
- For rejected costs or auto-limitation due to budget limitation (capping)



For clarity, please specify in the UoR which costs are related to corrections and which are related to re-submission of costs rejected (provisional) and/or budget capping

- **The JU has carried out a validation of IKOP for the period 2020-2021 taking into account that:**
  - For Method A => IKOP are covered by CFS
  - For Method B => IKOP are covered by CTPC (Certificate on Total Project Costs)
- **Therefore, for beneficiaries having provided a valid CFS or CTPC for the period 2020-2021, no adjustment to TPC (Total Project Costs) can be made anymore**

| Type of adjustment and reason* |  | TPC to be reported | Rule for reporting TPC  |
|--------------------------------|--|--------------------|---|
| Positive Adjustment            | Re-submission of costs provisionally rejected                  | NO                 | <b>Only</b> re-submission of costs rejected in previous period  |
|                                | Correction of costs for other reasons (mistakes, CFS findings) | YES                | Minimum the same positive amount claimed - method A or B  |
|                                | Correction of TPC only: for any reason                         | YES                | In <b>Method B only</b> : If some TPC were not reported. NB: these additional TPC should be certified |
| Negative Adjustment            | Correction of costs for other reasons (mistakes, CFS findings) | YES                | If <b>method is A</b> : the same negative amount (TEC = TPC!)   |
|                                |  | YES/NO             | If <b>method is B</b> : only if the TPC is reduced as well  |
|                                | Negative adjustment of TPC only (due to finding in CTPC)       | YES                | In <b>Method B only</b> : If some TPC have not been certified by the auditor--> negative adjustment   |



## AGA – Art. 20.4:

The **CFS** (drawn up in accordance with Annex 5 of the GA) is requested every 2 years **IF** the Beneficiary/linked third party requests a total **JU contribution of EUR 325.000 (or more)** as reimbursement of actual costs and unit costs calculated according to its usual accounting practices (average personnel costs and costs for internally invoiced goods and services)

**CTPC:** By analogy with the certification thresholds for financial statements, the TPC will require certification for accumulated calculated IKOP values exceeding Euro 325.000 and at the same time when the CFS is due (Method B).

| Scenarios        |  |  |  |  |
|------------------|--|--|--|--|
| Certificate Type | JU contribution*<br>less than 325k;<br>IKOP less than 325k | JU contribution*<br>less than 325k;<br>IKOP more than 325k | JU contribution*<br>more than 325k;<br>IKOP less than 325k | JU contribution*<br>more than 325k;<br>IKOP more than 325k |
| <b>CFS</b>       | No   | No   | Yes  | Yes  |
| <b>CTPC</b>      | No   | Yes  | No   | Yes  |

**\*: as reimbursement of direct costs, excl. any flat rate (SME owner, indirect costs)**

# GAMS 2020-2023 CLOSURE CERTIFICATION OVERVIEW

| Reporting period / Years | 2020       | 2021              | 2022   | 2023  | 2024   |   |
|--------------------------|------------|-------------------|--|---|--|---|
| RP1                      |            | Form C 2020 + TPC |  |   |  |   |
| RP2                      | CFS / CTPC |                   | Form C 2021 + TPC + Adj RP1<br>CFS/CTPC required If threshold (325k) is reached for cumulative costs 2020 and 2021 |   |  |   |
| RP3                      |            |                   |  | Form C 2022 + TPC + Adj on previous periods |  |   |
| RP4                      | CFS / CTPC |                   |  |   | Form C 2023 + TPC + Adj on previous periods<br>* CFS required for costs 2022/2023 even if the requested contributions are below the threshold. This CFS will complement the first one of 2020/2021. The 2 CFS must be uploaded as a zip file in the final financial statement.<br>* CTPC required If threshold (325k) is reached | 3 scenario for Certifications   |
|                          |            |                   |  |   | CFS/CTPC required If threshold (325k) is reached for cumulative costs 2020 to 2023   | For beneficiaries that already submitted certificate for the costs 2020/2021 (in 2022)  |
|                          |            |                   |  |   | Submit Form C 0 funding for 2022 and/or 2023<br>+ Upload the CFS (2020/2021) in the dedicated section in SYGMA   | For beneficiaries that never submitted certificates<br>For beneficiaries that already submitted certificate for the costs 2020/2021 (in 2022) but did not have further activities in 2022 and/or 2023 |

**CFS / CTPC**  
All costs and  
Total Project  
Costs 2020-2023  
must be covered

**Final  
Period**



- **Case 1:** the threshold of 325,000 EUR **was not** reached by End 2021 => Partner never submitted any certificates.
  - If the cumulative requested contributions (all periods) are below the threshold => **CFS is not required in 2024.**
  - If the cumulative requested contributions (all periods) reach the threshold => **CFS covering the Total Eligible Costs is required in 2024.**
  - If **IKOP method B**, and if Total IKOP (all periods) reach the threshold => **CTP covering all TPC is required in 2024**
- **Case 2:** the threshold of 325,000 EUR **was** reached by End 2021 => Partner submitted a CFS and CTPC in 2022.
  - **CFS required in 2024** for costs claimed for all periods (+ adj. of costs not covered by previous CFS), **even if the cumulative contributions 2022-23 is below the threshold.**
  - If **IKOP method B**, and if Total IKOP 2022-2023/24 reach the threshold => **CTP covering TPC 2022-2023/24 is required in 2024.**
- **Case 3:** the threshold of 325,000 EUR **was** reached by End 2021 => Partner submitted a CFS and CTPC in 2022.  
But **NO** activities in 2022-2023:
  - No additional certificate but **in 2024 Partner should submit a 0€ Financial statement and upload the CFS/CTPC in the dedicated sections.**

## Reporting in the H2020 tool SYGMA

### *Financial reports – Certificate on Financial Statements (CFS)*

#### In 2024,

- the **CFS** should be uploaded in the dedicated section of the Financial statement. If 2 CFS, *Zip file of signed scanned copies*.
- the **CTPC** (*Zip file of signed scanned copies*) should be uploaded under the IKOP field.



*Original hardcopy should be kept by the Beneficiary/Linked third party*

*The costs for the CFS / CTPC are eligible and should be claimed under “Other goods and services” at the final reporting period.*



- The Beneficiary is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures => *Be prepared and provide all supporting documents, procedures and evidences that would allow the Auditor to confirm the Procedures and therefore to avoid any undue rejection of costs.*  
*!!! do not forget to mention the project reference on all relevant supporting documents !!!*
- Once the CFS report is finalised by the Auditor, the Beneficiary should read carefully the findings and exceptions before submitting the CFS to JU and ensure that all findings are relevant.
- In few cases, the exceptions were due to missing evidence or documents => ensure with the Auditors that you provided them all available documents/evidence. If not, you still have room to correct the situation before sending the final report to JU.
- In case of Exceptions, the Auditor should list any exceptions and add any information on the cause and possible financial impact of each exception, if known. If the exception is quantifiable, include the corresponding amount and the related reporting period.



## JU Recommendation:

- **SPD Coordinator should already anticipate the (re)-distribution of payments at GAM closure** within the GAM, taking into account:
  - the payment received to date and foreseen at beneficiary level
  - the validated funding per beneficiary to date
  - the planned funding to completion at beneficiary level
  - Etc ...



CLEAN AVIATION

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure



- **CS2 GAM closure - Reporting requirements**
- **Cost declaration - Focus on specific items**
  - Eligibility of costs
  - Ex-post audit
  - Implementation of Ex-post audit results
- **Other financial aspects**
  - In-Kind contributions
  - Contribution to the JU administrative costs



Co-funded by  
the European Union

## Most common issues encountered during last reporting session

### Financial Statement

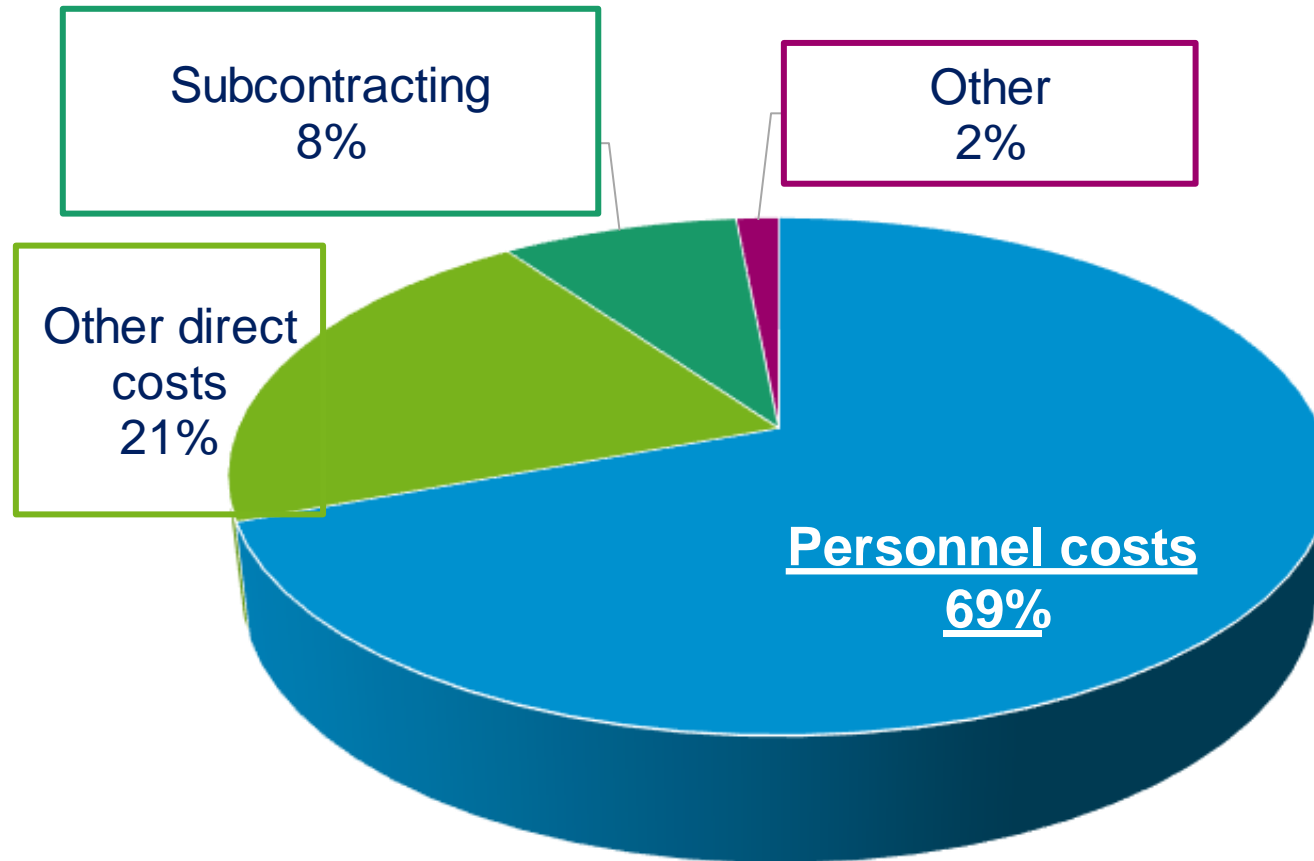
- Reported costs not foreseen in Annex 1 & 2
- Unplanned/overclaim subcontracting without PO's prior agreement
- Deviations with planned budget and task not duly justified in the UoR

### CFS

- Personnel costs not correctly calculated
- Unreliable timesheets, timesheets not available or not duly signed
- Procurement procedures (BVM) not duly respected for Subcontracting and Other G&S
- Missing supporting documents
- Ineligible costs declared (art. 6.5 MGA)

# MOST COMMON ERRORS DETECTED IN EX-POST AUDITS

Value of H2020 Ex-post negative adjustments as of January 2024



Source: Dashboard -European Commission – Common Audit Service

*Non-legally binding*



### General conditions for costs to be eligible for actual costs – Art. 6.1 MGA (1/2)

- **Actually** incurred by the beneficiary – **NOT** budgeted or estimated
- Indicated in the estimated **budget** set out in Annex 2
- **Identifiable and verifiable**, in particular recorded in the beneficiary's accounts in accordance with the accounting standards of the country where the beneficiary is established and with the beneficiary's usual cost accounting practices
- Comply with the **applicable national law** on taxes, labour and social security
- **Be reasonable, justified** and must comply with the principle of **sound financial management**, in particular regarding economy and efficiency

## General conditions for costs to be eligible for actual costs – Art. 6.1 MGA (2/2)

- The costs must be incurred in connection with **the action** as described in Annex 1 and necessary for its implementation → all documentation should clearly refer to the action
- The costs must be **incurred in the period** set out in Article 3 of the GA:
  - = the generating event that triggers the costs must take place during the project duration
  - costs incurred before the start of the project or after the end of the project = **ineligible**
  - costs invoiced / paid after the end date of the project = only **eligible** if:
    1. the debt already existed at the end date of the project  
**and**
    2. the final cost was known at the moment of the financial report  
**and**
    3. the goods / services were used during the project
  - Costs claimed in a given **reporting period** (RP), should only relate to that RP (e.g. the eligible costs for equipment are limited to the depreciation cost of that RP).
  - Costs incurred in a previous RP, but not declared in that previous RP can only be claimed by submitting an **adjustment** to the concerned RP.
  - specific rules for the costs incurred towards the end of the action exist (see next slide)

## Costs for reporting at end of the project:

Costs related to drafting and submitting the periodic report for the last reporting period and the final report are eligible even if they are incurred after the project duration.

Those costs include the **cost of certificates on the financial statements (CFS)** required by the GA and the cost of participating in a final review carried out by the JU before the submission of the final reports.

They may also include the **cost of personnel necessary to prepare the periodic report for the last reporting period and the final report.** However, they do **NOT** include research or innovation activities undertaken after the end date of the action.

Detailed slides on eligibility of costs : [Financial Workshop 2022 for CS2 Members](#)

*Non-legally binding*



## Good practices


- ✓ Costs should be declared in accordance with a **clearly defined methodology**:  
→ **do not mix actual and unit costs**
- ✓ Do **not** include **overheads** in your remuneration costs
- ✓ Remuneration costs should **not** be based on **estimates**  
→ exception: estimates can be used for calculating the hourly rate for unit costs in accordance with usual cost accounting practices
- ✓ **Reconcile** personnel costs with payroll **and accounting records**
- ✓ When granting a **bonus**, **use objective criteria**
- ✓ **Tip: use the personnel costs wizard** in the Financial Statement (see next slide)

## ELIGIBILITY OF COSTS – PERSONNEL COSTS - WIZARD



| Financial Statements                    |            |                        |  |  |
|---|------------|------------------------|--|--|
| Period                                  | Adjustment | Requested Contribution |  |  |
| 04/07/2015 - 03/03/2016 (Period No '1') | No         | 0.00 €                 |  |  |

| Financial Statement for period '1' (04/07/2015 - 03/03/2016)                                      |           |                 |          |        |
|---|-----------|-----------------|----------|--------|
| Eligible costs:  |           |                 |          |        |
| Cost Category   | Unit Cost | Number of Units | Subtotal | Total  |
| a) Direct personnel costs declared as actual costs  |           |                 |          | 0.00 € |

## Use the **WIZARD** in the Financial Statement

Beneficiaries can go through the different steps of the Wizard:

- ⇒ A series of questions (e.g. Type of reporting – per full financial year or per month, if adding persons working on the project what is the Work contract type ...) will capture the necessary information for the wizard to calculate the total personnel costs.
- ⇒ At the end of the process the respective field in the financial statement will be filled in with that amount.

➔ PPT WIZARD in the CAJU website

**Direct personnel costs declared as actual costs**

Direct personnel costs on action **00000**

Reporting period **1 - INTERIM - From 14 Dec 2015 to 13 Jun 2017**

Role **COORDINATOR**

PIC **955040790**

Is non profit LE? **No**

Beneficiary **EEA Techniques de Publications Economiques Sàrl**

Financial year = calendar year? **Yes**

Financial year start month **Yes**

[Disclaimer](#)

| Financial year | Reporting type |
|----------------|----------------|
|                |                |

| Work contract type | Person alias | Employment start date | Employment end date | Total personnel costs | Hours worked on action | Personnel costs | Additional remuneration |
|--------------------|--------------|-----------------------|---------------------|-----------------------|------------------------|-----------------|-------------------------|
|                    |              |                       |                     |                       |                        |                 |                         |

Total actual personnel costs: 0.00 €





## In order to declare bonuses...

- ✓ The bonus should be **covered by national law** and/or the employment contract
- ✓ The **methodology** for calculating the bonus should be established in the **internal regulations** of the beneficiary
- ✓ The conditions for the bonus must be “**objective**”, i.e. based on **pre-defined criteria that are different from commercial targets** : e.g. merits, seniority levels, or other objectively defined conditions. Bonuses must be calculated in accordance with the **usual remuneration practices**.
- ✓ Bonuses should be paid in a **consistent manner, not just for projects supported by EU grants**
- ✓ Bonuses should be paid in a **consistent manner, not just because there is still a budget available on the specific project**
- ✓ **Social charges and other taxes for bonus payments were correctly calculated**, incurred and paid in accordance with national law



### **Reminder**

- ✓ **Subcontracting to another member of the same GAM** is not allowed (unless prior approval of JU obtained)
- ✓ **Subcontracting to affiliates** is in principle not allowed (unless prior approval of JU obtained)
- ✓ **Subcontracting of coordination tasks** is only allowed if these are support tasks. The coordinator will remain responsible for the proper implementation of all coordination tasks (both core coordination tasks and support tasks being subcontracted). None of the tasks listed under Article 41.2 (b) of the GA can be subcontracted to a third party, nor delegated to any other beneficiary. The coordinator is responsible for their direct implementation.



When **reporting**, do not declare subcontracting costs not respecting these rules!



## Good practices

- ✓ **Ensure that all supporting documents** (procurement procedure) are properly **stored and available**
- ✓ **Subcontracting must be foreseen in Annex I** and/or agreed by JU services. N.b. **certain coordination tasks cannot be subcontracted.**
- ✓ **Document the link between the subcontracting and the project properly**
- ✓ **Provide detailed descriptions** in terms of technical specifications, constraints and contracts (leading to justification for supplier selection)
- ✓ Ensure the application of the **best value for money** principle (see next slide) and avoid conflict of interests



**Not being able to prove value for money can lead to a total rejection of the subcontracting costs in an ex-post audit → ensuring the application of the best value for money principle and keeping all documentation is key!**



- ✓ Show that you have followed your internal **procurement policy**. Create a file with the **supporting evidence** of the selection of supplier process.
- ✓ **Key documents** include:
  - ✓ Call for tender / request for offers
  - ✓ Technical specifications
  - ✓ Offers received
  - ✓ Market surveys
  - ✓ Evaluation of offers
  - ✓ Letters proving the acceptance of the offer selected and letters proving the refusal of the other offers
  - ✓ If applicable: the invitation to tender and the acceptance of a certain supplier should be published in the national / European journal
- ✓ Use only **valid framework contracts** (updated, selected according to company procurement procedure)
- ✓ If you **deviate** from the procurement policy, **document the reasons why** and add these explanations to the audit file

## Reminder - Subcontracting to another member of the same GAM

**Not allowed!**



- ➔ ***If a beneficiary needs supplies from another beneficiary of the same GA, it is the **latter beneficiary** that should charge them to the project***
- ➔ ***Only in exceptional and properly justified cases***
- ➔ ***Prior approval of the JU is required.***  
*If not agreed by the JU up until today, subcontracting to another member of the same GAM will **not** be possible. Amendments to the GAMs are closed.*

**CS2JU exception: wind-tunnel testing**

## Reminder - Subcontracting to affiliates participating in the same GAM



**Not allowed!**

**As general principle since affiliated entities can accede the GAM**

⇒ **Exceptional case subject to prior JU approval.**

*If not agreed by the JU up until today, subcontracting to another member of the same GAM will **not** be possible. Amendments to the GAMs are closed.*

### **Conditions to be applied:**

1. *the affiliate entity is the **usual supplier** or there is an existing **framework contract***  
**AND**
2. *the subcontracting is carried out at **market conditions** to be substantiated (other offers for instance) + no financial markup*

## Reminder - Subcontracting of coordination tasks

- The support to the management tasks of the coordinator should be claimed in the **costs category Subcontracting**
- **Annex 1 should include additional explanations** highlighting the following elements:
  - all subcontracts related to “management support” are **administrative enablers** for the GAM Coordinator to perform his role effectively
  - the services are **directly linked with WP0 / coordination tasks** and provide support to the comprehensive coordination & contract management of the GAM project, including some administrative tasks
  - the **need of a coordination team is justified by the complexity of the project** that require coordination tasks further down in the WBS
  - responsibility and accountability for the work performed remain clearly under the GAM Coordinator remit. **The coordinator must maintain a leadership role** with respect to the tasks of the coordinator listed in Article 41.2 (b). **The tasks listed in Article 41.2 (b) cannot be subcontracted or delegated.**
- **the content of the subcontracting contract should be carefully drafted / reviewed** to show that the final check, and the leadership for the task, remains with the coordinator and that the task is “only” a support
- all **eligibility conditions of article 6.1 and 6.2 are fulfilled**



## Record-keeping & burden of proof

The **burden on proof** for eligibility is on the beneficiaries (and linked third parties).

**Article 18**: *The beneficiaries must — for a period of **five years** after the payment of the balance — keep records and other supporting documentation in order to prove the proper implementation of the project and the costs they declare as eligible.*

*They must make them available upon request (see Article 17) or in the context of checks, reviews, audits or investigations (see Article 22)*



***If the supporting documentation cannot be provided, costs will be considered as ineligible and the grant may have to be partially reimbursed.***



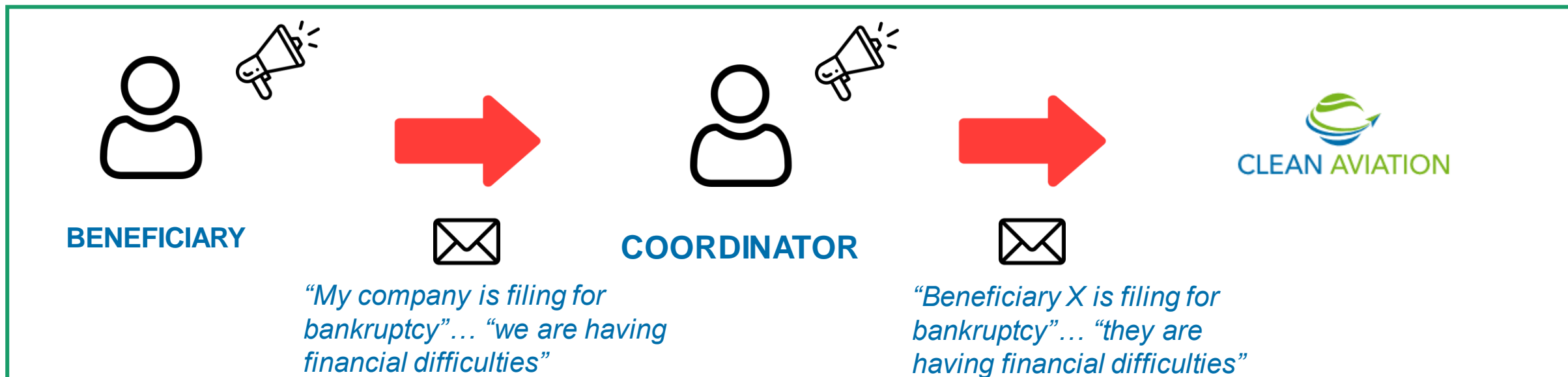
# PARTICIPANT OBLIGATIONS – REMINDERS

## Article 17.2:

- Each beneficiary must keep the following information updated in the **Participant Portal Beneficiary register**: name, address, legal representatives, legal form and organisation type
- Each beneficiary must immediately **inform the coordinator** in case of events likely to affect **the EU's financial interests** (e.g. change in its legal, financial, technical, organisational or ownership situation). **The coordinator must then immediately inform the JU.**

**N.b. Both these obligations continue to exist, also after closure of the grant.**

## Events affecting the EU's financial interests





CLEAN AVIATION

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure



- **CS2 GAM closure - Reporting requirements**
- **Cost declaration - Focus on specific items**
  - Eligibility of costs
  - Ex-post audit
  - Implementation of Ex-post audit results
- **Other financial aspects**
  - In-Kind contributions
  - Contribution to the JU administrative costs



Co-funded by  
the European Union



- ✓ Clean Sky 2 projects will have their final reporting period soon → **ex-post audits of Clean Sky 2 projects will still be launched in 2024.** During the phase of fieldwork, the auditors will verify the documentation underlying the submitted cost claims.

1

**During the fieldwork**, the auditors will start preparing potential findings and ask for complementary information  
→ Respond to their request on time

2

**At the end of the fieldwork**, the **exit meeting** takes place. At this meeting, the auditors will elaborate on the main conclusions of the audit  
→ Clarify outstanding issues, explain your position

3

Following, the audit a **Preliminary Audit Report (PAR)** will be drawn up by the CAS. After CAS and CA JU quality controls, this PAR will be submitted to the beneficiary for the **formal contradictory procedure**  
→ Provide any **outstanding information**. If not in agreement, provide **solid arguments supported by evidence**. Contact **CAJU for more guidance**.

Not legally binding

- ✓ If not in agreement with findings, beneficiaries should use **every opportunity to provide a substantiated reply!**
- ✓ **The CA JU cannot challenge findings on behalf of the beneficiaries.** The beneficiaries should respond to the auditors directly.
- ✓ However, the **CA JU can mediate**.

## *When* do these ex-post audits take place and *who* conducts them?

---

- ✓ Even though Clean Sky 2 projects will have their final reporting period soon, **ex-post audits of Clean Sky 2 projects will still take place in 2024, 2025 and potentially 2026.**
- ✓ Audits may either be conducted by
  - ✓ the European Commission's **Common Audit Service (CAS)**. The CAS may rely on **External Audit Firms** to conduct these audits  
→ majority of audits
  - ✓ OR by the European Court of Auditors  
→ small minority of audits
- ✓ **So prepare and keep all documentation ready!**

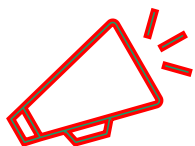


Before the audit, the beneficiary will receive a **Letter of Announcement**, detailing:

- ✓ The **scope** of the audit (projects and periods concerned)
- ✓ The **dates** of the fieldwork
- ✓ **Which documents to prepare** for the fieldwork



During the phase of fieldwork, the auditors will verify the documentation underlying the submitted cost claims. The fieldwork will end with an **exit meeting**.



**Reminder:** Lack of cooperation during the audits may lead to cost rejections and/or grant reductions.



- ✓ Following the contradictory procedure and several quality checks, the auditors will issue a **Final Audit Report** and a **Letter of Conclusion**. These documents detail the **outcome** of the audit.
- ✓ The audit can either **result** in
  - ✓ **Positive** adjustments in favour of the beneficiary
  - ✓ **Negative** adjustments
  - ✓ No adjustments
- ✓ Findings can be either **systemic** or **non-systemic**. A finding is systemic if: *“it is an infringement that is **inherently** related to the **beneficiary’s methodologies, accounting, management or internal control practices**. Therefore, and by its very nature, it is likely to have occurred in all other transactions of the beneficiary that are comparable.” »*



CLEAN AVIATION

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure



- **CS2 GAM closure - Reporting requirements**
- **Cost declaration - Focus on specific items**
  - Eligibility of costs
  - Ex-post audit
  - **Implementation of Ex-post audit results**
- **Other financial aspects**
  - In-Kind contributions
  - **Contribution to the JU administrative costs**



Co-funded by  
the European Union

## **Reminder:** CFS requirement in case of an ex-post audit – **Revised**

- Until 2020 - Costs covered by an ex-post audit were excluded from the date on which the audit was **announced**
- From 2021, Costs covered by an ex-post audit are only excluded from the date on which the audit is **closed (FAR/LOC sent)**
- Therefore, concerned beneficiary must submit a CFS **also** for the audited period if the threshold is reached and the audit is still on-going (***i.e. the letter of conclusion is not yet issued***)



# EX-POST IMPLEMENTATION FOR GAMS

All GAMs 2018-2019 projects projects are closed, the results from ex-post audits are still implemented in Syigma and recovered directly from the beneficiary\*

Two GAMs 2020-2023 projects (SAT + SYS), with end date 31/12/2023, the results from ex-post audits will be implemented in Syigma and recovered directly from beneficiary after submission of the final REPA

All other GAMs 2020-2023 projects (except TE2), still ongoing but end date 31/03/2024, the results from ex-post audits will be implemented in Syigma via adjustments to previous period in the final REPA until submission of the final REPA and recovered from beneficiary afterwards

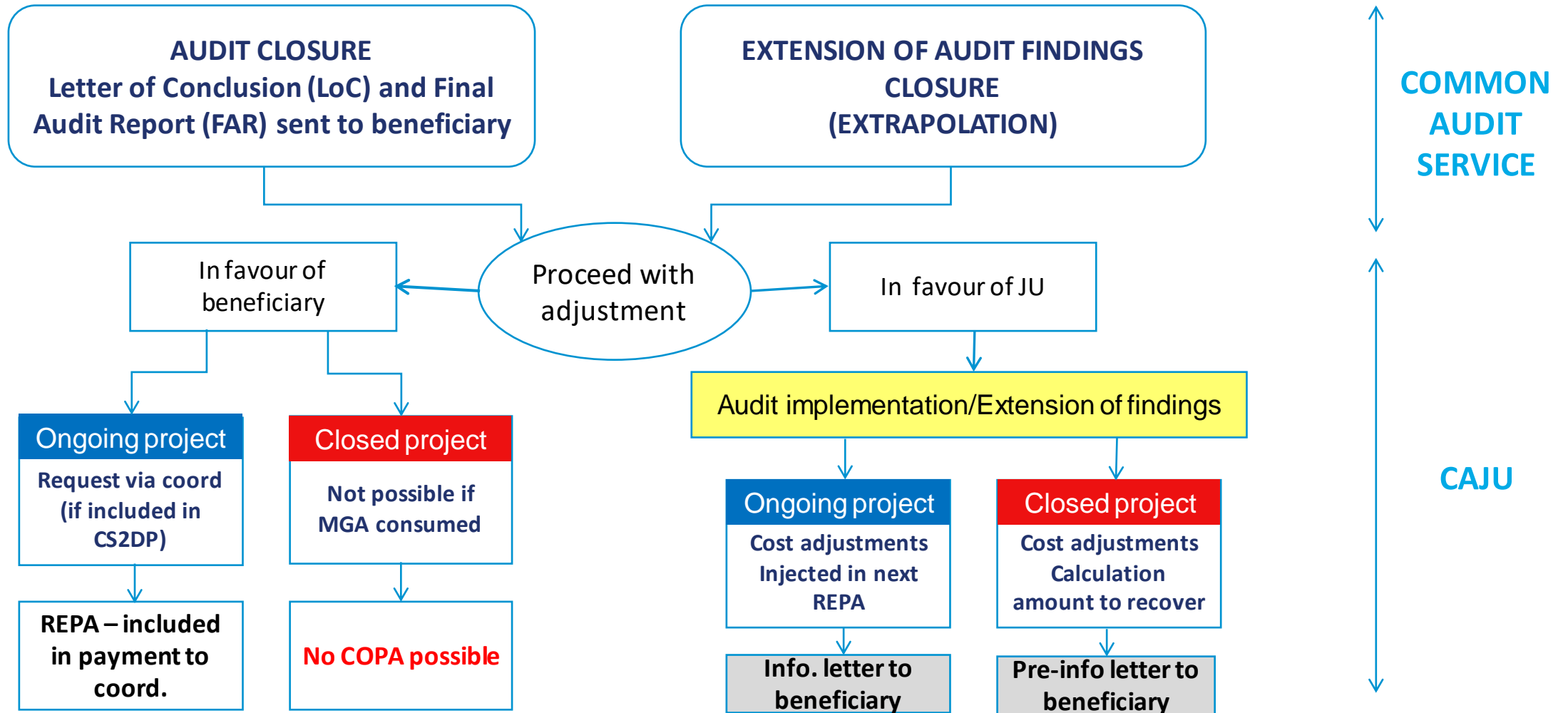
## \*BENEFICIARIES RESPONSIBLE TOWARD CAJU

**Article 44:** beneficiaries remains financially responsible towards the Joint Undertaking for the projects in which they are involved.

Therefore, when a linked third party (LTP) is involved in a project, **the beneficiary is liable for settling the debts of it's linked third party**

Therefore, when the project is closed, **the debit note pertaining to the implementation of ex post audit results against a LTP is addressed to the beneficiary responsible to whom he is linked in the project**

# IMPLEMENTATION EX-POST – HOW IT WORKS



REMINDER

Please make sure that the information concerning the appointed representative of the entity (LEAR) is still valid and, when required, updated without delays

According to Article 17.2 of the Grant agreement, the beneficiaries (via their legal entity appointed representative (LEAR)) **must keep their data in the Funding & Tenders Portal up-to-date at all times including after the end of the grant**



## No action is required from the beneficiary during the implementation phase:

- On-going projects (GAMS 2020-2023): The PO/FO implements the audit adjustments in SyGMA and an information letter with annexes is sent via SYGMA to the audited beneficiary to confirm implementation. Negative adjustments are taken into account at the next REPA and clearly indicated in the enclosures of the payment letter.
- I take this opportunity to remind you **not to duplicate the adjustments on your side**, especially in the case of extension of audit results (EAR), because CAJU is not able to reject negative costs and this will cause additional delays as the session must be rejected so that the beneficiary withdraws the duplicate.
- Closed (GAMS 2018-2019) and two (GAMS 2020-2023) projects (when submitted): The PO/FO implements the audit adjustments in SyGMA and prepares the pre-information and confirmation letter and enclosures with debit note to **recover from beneficiary**

Amounts <500€ are not recovered

# IMPLEMENTATION POSITIVE EX-POST AUDIT (SYGMA)

1. For closed projects (GAMs 2018-2019), this procedure is no longer applicable as the whole budget available was committed to the 2020 GAMs until the end of the H2020 programme
2. For ongoing (2020-2023) GAMs, Following the approval by the JU of the revised CS2DP in October 2023, no positive adjustments are possible as the MGA is expected to be fully consumed
3. For closed (2020-2023) GAMs, in case the Final Grant amount is lower than the MGA (Max Grant Amount) **and** after Coordinator's approval, the beneficiary is allowed to introduce the claim via the coordinator within 60 days from the receipt of the LOC (Letter of Conclusion); the coordinator will approve the request on behalf of the consortium

# COMPLEMENTARY PAYMENT (COPA) IN A NUTSHELL:

The COPA workflow facilitates a stand-alone **payment or recovery order** (or just the cost claim adjustments) to make final financial corrections for a project, with **only manual payment calculation and manual encoding in SUMMA**.

During the contradictory procedure with **accepted observations** on the Payment Letter in the **final REPA also called Payment of the Balance (PoB)**, the PO/FO might decide to launch a COPA workflow if there is a need to implement further costs or payment adjustments in SYGMA.

The COPA-CFP (at final payment) is the last part of a contradictory procedure if observations imply cost adjustments, and sends out the **Payment Confirmation Letter** as formal notification at the end. For a COPA after the final REPA this will be a **Complementary Payment Letter** (also as formal notification but without contradictory procedure).

## Q & A SESSION



Co-funded by  
the European Union



**COFFEE BREAK 15 MINUTES !**



Co-funded by  
the European Union

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure



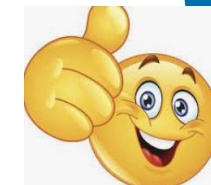
- **CS2 GAM closure - Reporting requirements**
- **Cost declaration - Focus on specific items**
- **Other financial aspects**
  - **In-Kind contributions**
  - **Contribution to the JU administrative costs**
  - **Antifraud measures and awareness**



# IN KIND CONTRIBUTIONS CS2 PROGRAMME CLOSURE

| in M€   | IKOP    | IKAA    | Total In Kind contributions |
|---|---------|---------|-----------------------------|
| <b>Private Members' contributions<br/>(as per Funding regulation)</b> | 1,190.0 | 965.0   | <b>2,155.0</b>              |
| <b>Actual validated 2014-2022</b>                                     | 829.3   | 1,218.6 | <b>2,047.8</b>              |
| % achieved  | 70%     | 126%    | 95%                         |
| <b>Reported not yet validated<br/>(End 2022)</b>                      | 138.1   | 157.5   | <b>295.7</b>                |
| <b>To be reported and validated<br/>(2023)</b>                        | 80.0    | 27.3    | <b>107.3</b>                |
| <b>Total IKC</b>  | 1,047.4 | 1,403.4 | <b>2,450.8</b>              |
| % achieved  | 88%     | 145%    | 114%                        |

- JU well on track for reaching IKC objective for CS2 programme



- **Actions for 2024:**

- **IKOP**

- validation for period 2022-2023 (GAM closure: reporting of IKOP + certificate on Total Projects Costs CTPC)

- **IKAA**

- Previous periods: reported but not validated => certification needed
- IKAA plan 2023 to be reported and certified

# IN KIND CONTRIBUTIONS PROGRAMME CLOSURE

## ➤ Actions 2024 for members:

### ➤ IKOP: Reporting in EC portal

- validation for period 2022-2023 = 138.1 M€ reported in 2022 + 80 M€ est. for 2023
- GAM closure (final reporting period): reporting of IKOP 2023 + certificate on Total Projects Costs CTPC for period 2022-2023

### ➤ IKAA: Reporting in GMT 2

- Previous periods: reported but not validated 157.5 M€ => certification needed
- IKAA plan 2023 (27.3 M€) to be reported and certified

# IKAA - REPORTING 2024

**IKAA management remains in GMT2 tool!**

Reporting in GMT2 for 2022: **for members with IKAA planned in 2023**

- **15 February 2023:** declaration of estimates => to be reported as **DRAFT**
- **1 March 2023:** declarations of AA and **certificates of IKAA 2023 => to be SUBMITTED TO JU in GMT2 only with certificate and signed declaration (including signed originals by post)**
- **June 2023:** GB opinion on IKAA

# IKAA REPORTING – MOST FREQUENT ERRORS

- Declaration not signed / stamped by the auditors
- Terms of reference missing or not signed
- Original documents (certificates) not provided
- Wrong certificate template used not accepted by JU, for instance:
  - Report on factual findings (based on CFS template)
  - Agreed upon procedures under ISRS 4400
  - Estimated values accepted on provisional basis by national granting authorities

## Reminder!

- IKAA reported value need to be certified by an independent auditor (CS2 regulation)
- Model certificates developed by the CSJU refers to either an independent audit opinion (ISA 805) or an independent reasonable assurance (ISAE 3000)

# IKAA PROCEDURES

**Relevant documents => NO change; can be found on the CAJU website**

*Key documents | Clean Aviation ([clean-aviation.eu](http://clean-aviation.eu))*

*Under Financial guidance and procedures*

**Document set dated 22 Dec 2016 – includes:**

1. In-kind contribution procedure - for Additional Activities (IKAA)
2. Guidance for the implementation of the in-kind contribution procedure - for Additional Activities
3. Guidance for members and auditors: Certification of the declaration of IKAA (IKC related to additional activities) for the purpose of valuing the in-kind-contribution



CLEAN AVIATION

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure



- **CS2 GAM closure - Reporting requirements**
- **Cost declaration - Focus on specific items**
- **Other financial aspects**
  - **In-Kind contributions**
  - **Contribution to the JU administrative costs**
  - **Antifraud measures and awareness**



Co-funded by  
the European Union



- **Legal base (art. 15 of the CS2JU Council Regulation):** A max contribution of 78 M EUR for the whole CS2 programme divided equally and annually between the EU and the CS2JU private Members
  - **Funding Agreement (art. 4):** Each private Member's contribution to the CS2JU admin costs must be **proportional** to its participation in the CS2 Programme.
  - **Annual invoicing** in one instalment → Debit notes are sent to Leaders and Core Partners (including their affiliated entities' contributions).
    - **2023:** fully covered by unused Members' contributions from previous years
    - **2024:** partially covered by unused contributions + a small amount to be collected → *A pre-info notice will be sent by the end of Q2, requesting PO number (if needed), followed by a debit note in Q3*
- **Running costs contributions are not eligible under the GAM!**

## ➤ Inactive Members

Inactive Members (activities finalized in 2023 and not claiming any JU funding in 2024) are no longer requested to contribute to the admin costs of the JU.

## ➤ Reviews

Two reviews of the actual participation performed by the JU based on the actual validated costs → **Mid-term** (2019) & **Final** (2025).

## ➤ Terminations

Any terminated private member shall remain liable to pay its contribution to the admin costs of the CS2 JU **for the rest of the financial year** in which it is contractually terminated.



CLEAN AVIATION

# CS2 Financial Workshop 2024

## GAM 2020-2023 reporting and closure



- **CS2 GAM closure - Reporting requirements**
- **Cost declaration - Focus on specific items**
- **Other financial aspects**
  - **In-Kind contributions**
  - **Contribution to the JU administrative costs**
  - **Antifraud measures and awareness**



Co-funded by  
the European Union

## YOUR ROLE AS JU MEMBER (COORDINATOR AND BENEFICIARY)

You are closer to the members and partners than us

### Some actions:

- Being **vigilant** and looking for fraud indicators/red flags (behavior, documentation, results and relationships)
- Questioning **anomalies** and/or patterns
- **Encouraging whistleblowing**/raising **concerns** (illegal act or serious breach of the rules )
- Having a robust **anti-fraud culture**

## WHISTLEBLOWING

A **whistleblower** is someone, acting in good faith, who is reporting issues identified in the course of their duties which indicate serious irregularities.

Irregularities may be activities deemed as fraud, bribery, corruption or serious professional misconduct.

- There may be occasions where someone (potentially anonymously) will **report** concerns of an **illegal act or serious breach of the rules**. This shall be reported directly **via OLAF website**
- More **information**? Refer to **CAJU website**, section on Values which provides all relevant reference documents on antifraud measures in the Commission and in CAJU



CLEAN AVIATION

# Financial Workshop 2024

## Operational aspects



Co-funded by  
the European Union

# CS2 Final Reviews

## **Evaluate global GAM execution for the full duration of the program**

Assess the Technical activities progress, KPIs status, Budget execution vs Technical achievements, Cost and Activities to completion indicating deviation with respect of the objectives (Demo status, TRL achieved), Impact, Dissemination and Communication and Exploitation, etc.

## **GAM Closure in 2023: SAT, SYS**

## **GAM Closure March 2024: AIR, ENG, FRC, LPA, REG, ECO**

- Ad-hoc meetings within mid November – mid December 2023
- Final meeting within mid February – mid March 2024

# Final Reviews Calendar (Nov 2023 - March 2024)

| SPD | Final Review Meeting | LOCATION                              |
|-----|----------------------|---------------------------------------|
| LPA | 12-14 March 2024     | Brussels (BE) - TBD                   |
| REG | 25-27 March 2024     | Pomigliano (IT)                       |
| FRC | 12-14 March 2024     | Marignane (FR);<br>Cascina Costa (IT) |
| AIR | 19-21 March 2024     | Getafe (SP)                           |
| ENG | 19-21 March 2024     | Paris (FR)                            |
| SYS | 21-22 November 2023  | Toulouse (FR)                         |
| SAT | 19-20 December 2023  | Villanova (IT)                        |
| TE  | TBD                  | TBD                                   |
| ECO | TBD                  | TBD                                   |



# CS2 – GAM CLOSURE

## TIMELINE

01/01/2024

31/03/2024

31/05/2024

AAR 2023

Final Review Meeting

Project' End

Final REPA

Technical and Financial Reporting  
(Ref Sygma/Compass)

Requested Materials:

- Final Project Report (see next Slides)
- Demos Fiches (see next Slides)
- FRM Presentations
- Other relevant material (Del,etc)

# CS2 Final Review (Overall project duration)

## Content per area: TS, WP, Demo

- Overall objectives and WBS
- Demonstration Overview
  - Technologies objectives: expected impact, quantification. Final demonstration: Ground/Flight Test, etc.
- Demonstrators top level assessment (confidence level: good, regular, poor), consistent with the CS2DP (part B and part A)
- Technical achievements (incl. major financial and technical deviations)
  - Overall project execution; Correlation between spent resources and achievements (budget execution vs achievements)
- Deliverables/Milestones achievements - KPIs
- Contributing GAPs (CfP) list with final assessment: good, regular, poor.
- More successful GAPs presentations (from TM assessment - template available). Selection.
- Lessons learned

In addition, specific sessions to be dedicated to

## **CS2DP:**

- Demonstrators achievements, exploitation and impacts

## **Impact Chapter**

- Links HLOs – a/c models – technologies
- Mapping demonstrators/technologies contributing to TE assessment, along *the A/C model* level: Alignment with CS2DP (impact, demonstrators, planning, maturity)

**Eco-Design (including Eco-TA)** activities, with specific reference to eco-flagship demonstrators.

**Dissemination, Communication and Exploitation** plan and achievements.

# Final Report

- The **Final Core Report** covering the activities on **the overall duration of the CS2 Programme**.
- The report should be for **general public**.
- This report **might be (in full or partially) similar to the technical core report submitted in Sygma for the final period** - (n.b. technical content sufficient for costs validation and section “deviations” to be included in the final REPA)

## Table of Contents

|           |   |
|-----------|---|
| <b>1.</b> | <b>FINAL PUBLISHABLE SUMMARY .....</b>                |
| 1.1.      | Executive Summary .....                               |
| 1.2.      | Project Context and Objectives .....                  |
| 1.3.      | Main Scientific & Technical results/foregrounds ..... |
| 1.4.      | Impact .....  |
| 1.5.      | Project Public Website .....                          |
| <b>2.</b> | <b>USE AND DISSEMINATION OF FOREGROUND .....</b>      |
| 2.1.      | Section A - Public Dissemination Activities .....     |
| 2.2.      | Section B – Public or Confidential Foreground .....   |
| <b>3.</b> | <b>Demonstrators Fiches .....</b>                     |

### Public Section !!!

Should address a wide audience including general public.

Exploitation is intended Confidential !

**Intended for future communication,  
pls clearly mark the confidential  
information in the Fiche**



CLEAN AVIATION

# Financial Workshop 2024

## Legal Guidelines



Co-funded by  
the European Union

# BENEFICIARIES' RESPONSIBILITIES (Article 7 MGA)

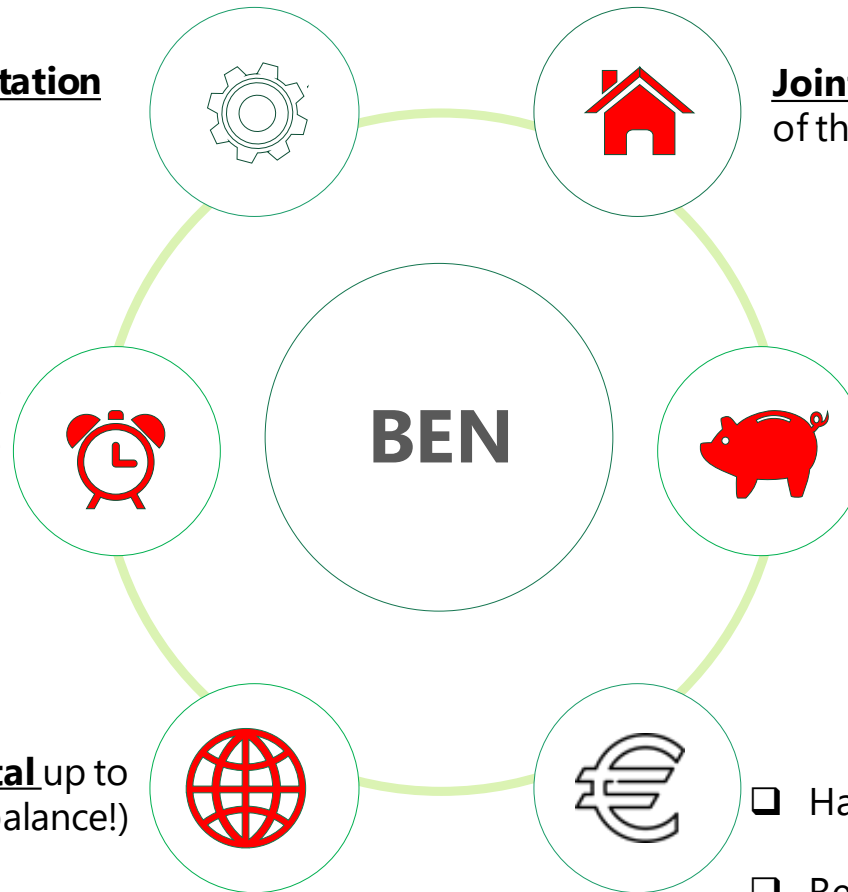
Must ensure swift and proper **implementation of the action**

**Inform** the JU (and the other beneficiaries) **immediately** of any event/circumstances likely to affect significantly or delay the implementation of the action



e.g. (Pre)Bankruptcies

Keep information of the **Participant Portal** up to date (even after the payment of the balance!)




**Joint responsibility** for the technical implementation of the action.

In case of **recovery**:  
The **financial liability** is *in principle* limited to the beneficiary's own debt and unduly kept amounts of its affiliated entities.

- ☐ Have appropriate **resources** to implement the action.
- ☐ Remain **eligible** under the EU programme funding.

# COORDINATORS' RESPONSIBILITIES (Art. 7 MGA)

- 
- 🏠 Manage **technical coordination**
  - 🏠 **Monitor** that the **action** is implemented properly
  - 🏠 **Act as the intermediary** for all communications between the consortium and the granting authority
  - 🏠 Requests and **review documents or information** required by the granting authority and verifies their completeness and correctness
  - 🏠 Submit the **deliverables** and reports in the system
  - 🏠 **Financial coordination** – distribution of the payments received from the granting authority to the other BEN *without unjustified delay*.

# SUBCONTRACTORS (Art. 9.3 MGA)

- ❖ May implement part of the action, if needed by the BEN.
- ❖ Only limited parts of the action can be subcontracted.
- ❖ Tasks cannot be subcontracted to BEN of the same consortium
- ❖ Based on business conditions (Profit)
- ❖ Tasks cannot be subcontracted to Affiliated Entities (“AE”) with some exceptions



The BEN REMAINS FULLY RESPONSIBLE TOWARDS THE GRANTING AUTHORITY for action tasks performed by subcontractors.



Exception: Subcontracting to an **affiliated entity**

- ❖ a framework contract in place
- ❖ an affiliated entity is the usual provider
- ❖ a subcontract is priced at market conditions

*It is beneficiary's responsibility to provide evidence confirming above mentioned conditions including proof that the subcontracting entails best value for money and that no conflict of interest exists.*

Subcontracted tasks and estimated costs are set out in Annex 1 and 2

BENs will award the subcontractor ensuring best value for money / lowest price no conflict of interest

The BENs contractual obligations also apply to the subcontractor

## Q & A SESSION



Co-funded by  
the European Union





Co-funded by  
the European Union

**| Thank you**



**Any questions?**

Pls contact the Financial Officer in  
charge or [finance@clean-aviation.eu](mailto:finance@clean-aviation.eu)



**CLEAN AVIATION**

**ENGAGE**

with US!

[www.clean-aviation.eu](http://www.clean-aviation.eu)



Co-funded by  
the European Union