

# TUTORIAL PAYMENT SCHEME

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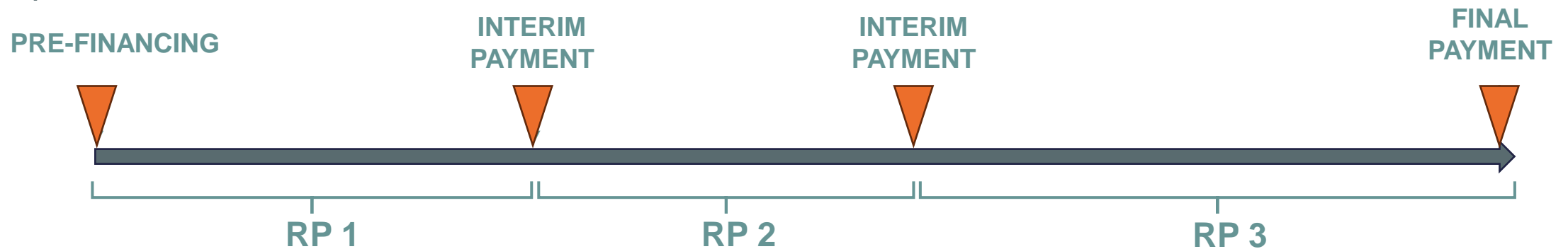
**Rosa GARCIA de la CALERA**

DEFIS.R.2 Financial Management  
and Internal Control

# Payment Scheme

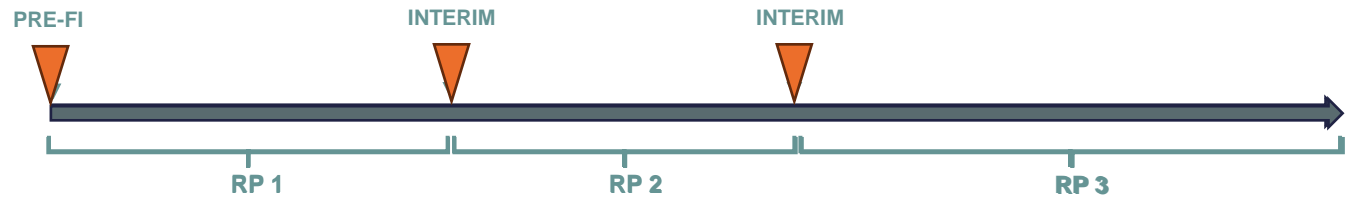
- **EDF Payment scheme:** Pre-financing – (Interim payment(s)) – Final payment
- Payments are made at the end of **reporting periods (RP)** upon approval of a **periodic report**.

*Example:*



The number and duration of the RP (usually 12-18 months) are decided during grant agreement preparation

# Payment Scheme (II)



- Pre-financing + interim payments amounts up to 90% of the maximum grant amount.

Example:

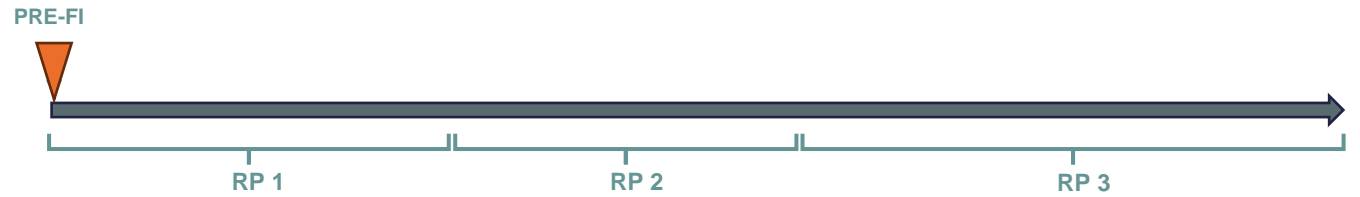
Payments for a grant with Maximum grant amount = EUR 100

	Accepted costs* (AC) or WP completed (LS)	Amount paid	Cumulative amount paid
<b>PRE-FINANCING</b>		55,00 €	55,00 €
<b>Interim payment RP1</b>	30,00 €	30,00 €	85,00 €
<b>Interim payment RP2</b>	40,00 €	5,00 €	90,00 €
<b>Final payment RP3</b>	30,00 €	10,00 €	100,00 €



\* It should be read as EU contribution corresponding to the accepted costs

# PRE-FINANCING



Subject to the outcome of the **Financial Capacity Assessment** by Central Validation Services

**IF all beneficiaries OK**

**Single pre-financing = 55%** of the maximum grant amount

**IF one or more beneficiaries weak/insufficient account for more than 10% of the EU contribution**

**Reduced pre-financing 35%**

**IF coordinator is weak**

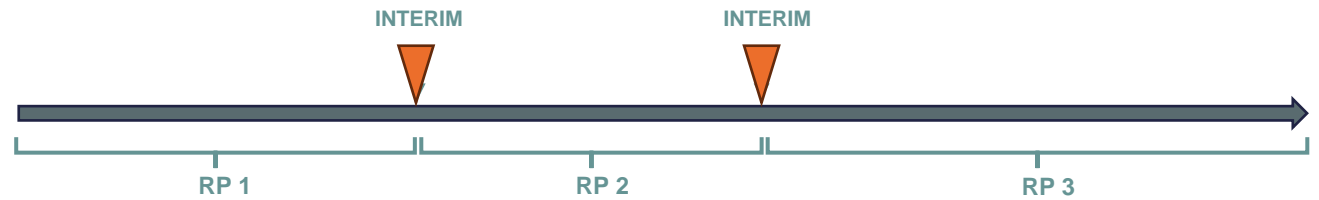
- » Coordinator is replaced by other member of consortium with good/acceptable financial capacity
- » Coordinator provides pre-financing guarantee for full pre-financing of the grant

**For each beneficiary with insufficient FCA**

**Pre-financing broken down in instalments**

**Other protective measures defined on a case-by-case basis**

# Interim payment - AC



Estimated budget for the entire action in the GA:

	Personnel	Subcontracting	Purchase	Other direct	Indirect	Total costs	Funding rate	Maximum EU contribution
ACT 1	300	50	20	0	80	450	100%	450
ACT 2	150	0	10	0	40	200	100%	200
ACT 3	110	0	10	0	30	150	87%	130,95
<b>TOTAL</b>	<b>560</b>	<b>50</b>	<b>40</b>	<b>0</b>	<b>150</b>	<b>800</b>	<b>/</b>	<b>780,95</b>

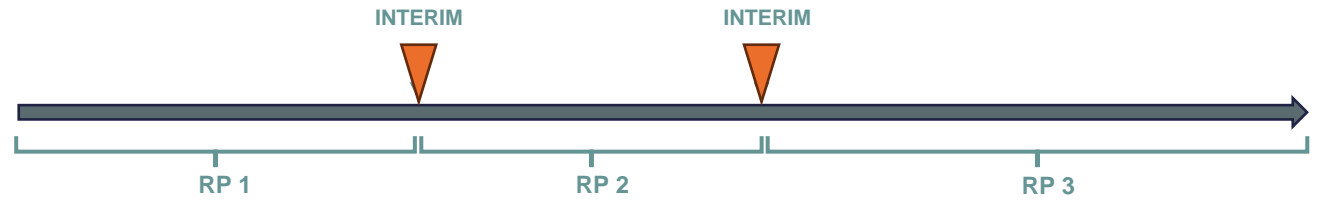
Financial statements – actual costs for the reporting period:

	Personnel	Subcontracting	Purchase	Other direct	Indirect	Total costs	Funding rate	Maximum EU contribution
ACT 1	90	50	10	0	25	175	100%	175
ACT 2	50	0	5	0	40	95	100%	95
ACT 3	70	0	10	0	30	110	87%	96,03
<b>TOTAL</b>	<b>210</b>	<b>50</b>	<b>25</b>	<b>0</b>	<b>95</b>	<b>380</b>	<b>/</b>	<b>366,03</b>

**Amount to be paid to coordinator** if the Commission accepts periodic report (work OK) and costs are considered eligible



# Interim payment - LS



LS established in the GA:

	WP1	WP2	WP3	WP4	Total per beneficiary
COO	250			50	300
BEN 2		150	50	50	250
BEN 3	100	100		50	250
<b>TOTAL</b>	<b>350</b>	<b>250</b>	<b>50</b>	<b>150</b>	<b>800</b>

Reporting period: level of completion of the WP

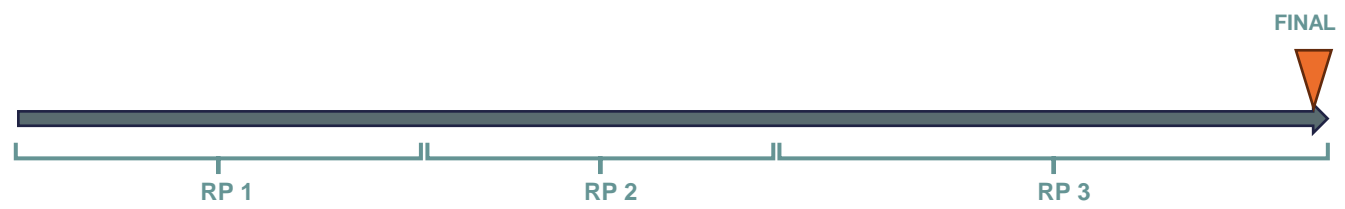
	WP1	WP2	WP3	WP4
COO	250			50
BEN 2		150	50	50
BEN 3	100	100		50
<b>TOTAL</b>	<b>350</b>	<b>0</b>	<b>50</b>	<b>100</b>

- 100% COMPLETED
- ONGOING/NOT STARTED

**Amount to be paid to coordinator**  
if the Commission certifies the completion of WP

**= 400**

# Final payment - AC



The final payment is made at last Reporting Period.

The final payment (= payment of the balance) reimburses the remaining part of the eligible costs and contributions claimed for the implementation of the action (if any).

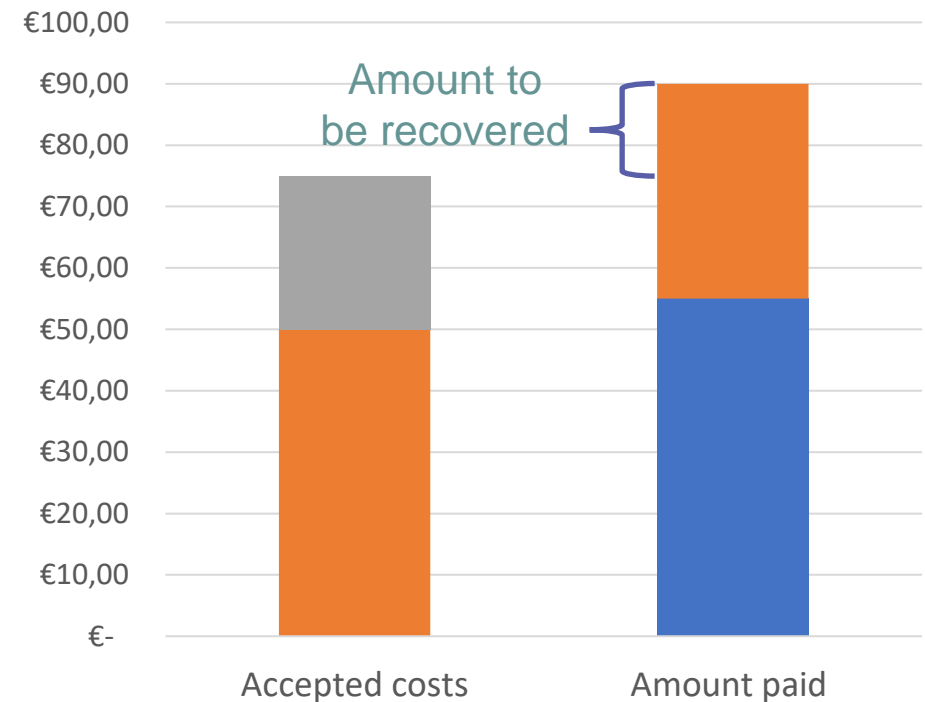
**Balance** = Final grant amount (sum of all RP) - prefinancing and interim payments made.

**IF** the balance is positive, it will be paid to the coordinator.

**IF** the balance is negative, it will be recovered.

*Example:*

	Accepted costs	Amount paid
<b>PRE-FINANCING</b>		55,00 €
<b>Interim payments</b>	50,00 €	35,00 €
<b>Final payment</b>	25,00 €	- €
<b>TOTAL</b>	<b>75,00 €</b>	<b>90,00 €</b>



# BUDGET FLEXIBILITY

Budget for the action in the GA: **ESTIMATES**

	Personnel	Subcontracting	Purchase	Other direct	Indirect	Total costs	Funding rate	Maximum EU contribution	Requested EU contribution
Prototyping	300	50	20	0	80	450	55%	247,5	245
Testing	150	0	10	0	40	200	45%	90	90
Design	110	0	10	0	30	150	100%	150	150
<b>TOTAL</b>	<b>560</b>	<b>50</b>	<b>40</b>	<b>0</b>	<b>150</b>	<b>800</b>	<b>/</b>	<b>487,5</b>	<b>485</b>

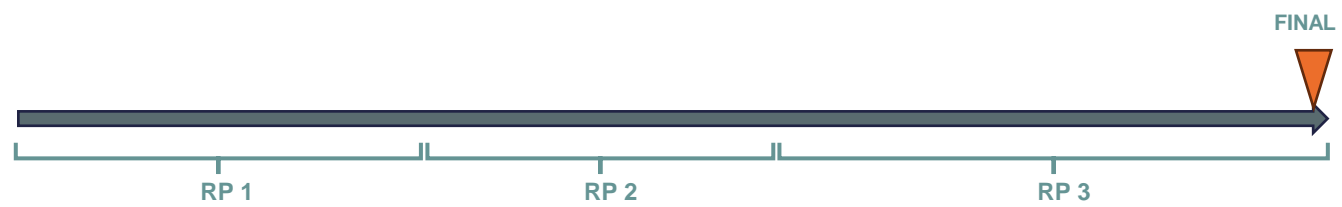
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Financial statements – total costs for all reporting periods: **ACTUAL COSTS**

	Personnel	Subcontracting	Purchase	Other direct	Indirect	Total costs	Funding rate	Maximum EU contribution	Amount to pay
Prototyping	350	50	30	0	95	525	55%	288,75	270
Testing	150	0	5	5	40	200	45%	90	90
Design	90	0	10	0	25	125	100%	125	125
<b>TOTAL</b>	<b>590</b>	<b>50</b>	<b>45</b>	<b>5</b>	<b>160</b>	<b>850</b>	<b>/</b>	<b>503,75</b>	<b>485</b>



# Final payment - LS



The final payment is made at last Reporting Period.

The final payment (= payment of the balance) reimburses the remaining eligible lump sum contributions claimed for the implemented work packages (if any).

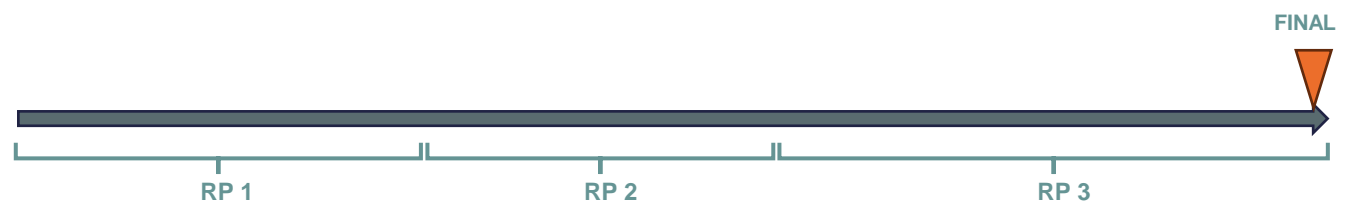
**Balance** = Final grant amount (sum of all RP) - prefinancing and interim payments made.

**IF** the balance is positive, it will be paid to the coordinator.

**IF** the balance is negative, it will be recovered.

For the last reporting period, the beneficiaries may exceptionally declare partial lump sum contributions for work packages that were not completed (e.g. due to force majeure or technical impossibility).

# Final payment - LS



WP NOT completed

	WP1	WP2	WP3	WP4	Total per beneficiary
COO	250			50	300
BEN 2		150	50	50	250
BEN 3	100	100		50	250
<b>TOTAL</b>	350	250	50	150	800

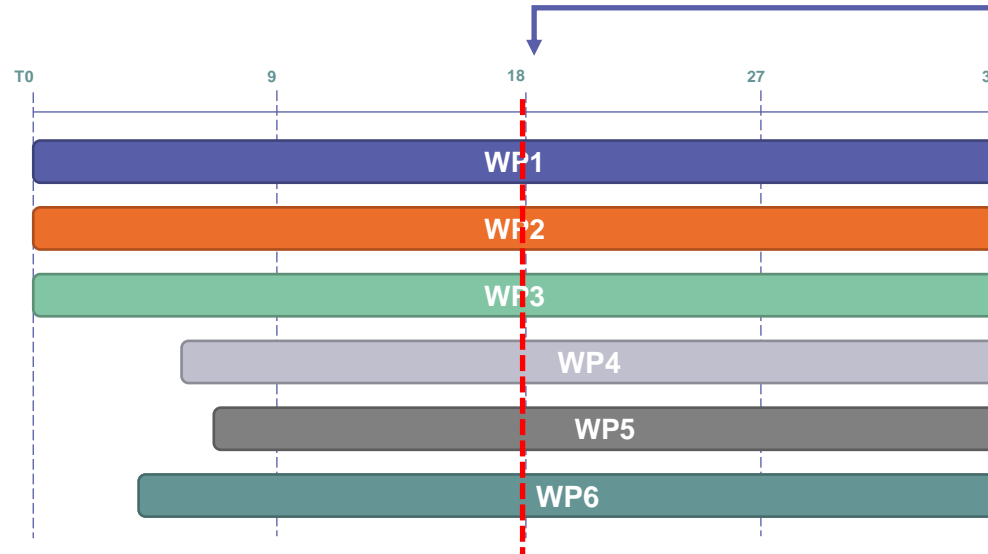
WP completed and paid in interim payment (capped to 90%)

Pre-financing was 55% of the maximum grant amount

$$\text{Balance} = 550 - 440 (\text{pre-fi}) - 280 (\text{interim payment}) = -170$$

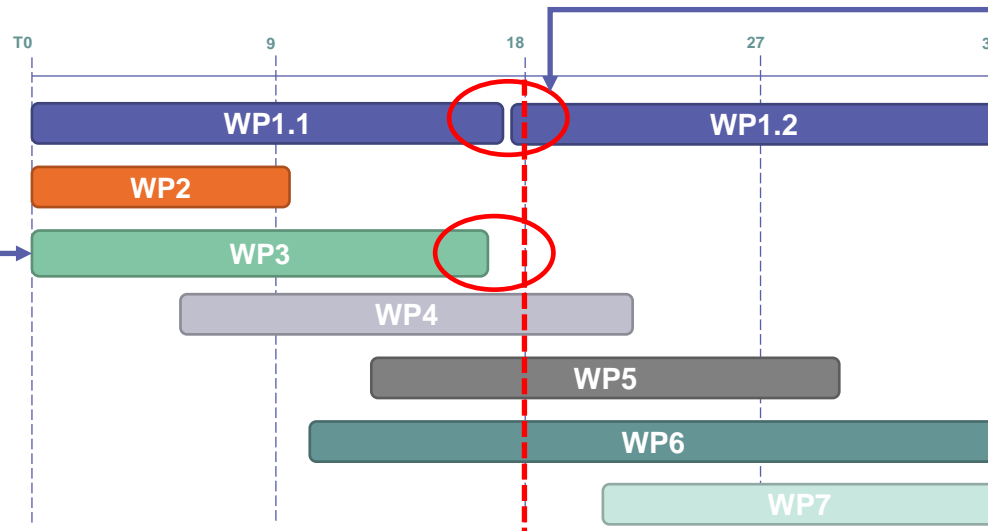
# LS Project design - TIPS

Propose **as many WP as needed** → but no more than what is manageable.



Consider typical **reporting periods** proposed by the Commission (i.e. 12 -18 months).

Consider possible **delays** in the completion of WP.



**Long WP** (e.g. management, dissemination and exploitation) **may be split** along the reporting periods.



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