

SEVENTH FRAMEWORK PROGRAMME
for research and technological development

PROJECT MANAGEMENT

MANAGEMENT PROCEDURES FOR EU-FUNDED RESEARCH PROJECTS

ELECTRONIC VERSION TO BE DISTRIBUTED FREELY – 8H/4

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Author: Eystein Kallhovde

Oslo Prosjektservice AS, PO Box 539, 1302 Sandvika, Norway

Email: post@prosjektservice.no



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AUTHOR

Mr. Eystein Kallhovde
Oslo Prosjektservice AS
PO Box 539, 1302 Sandvika, Norway
www.prosjektservice.no — post@prosjektservice.no

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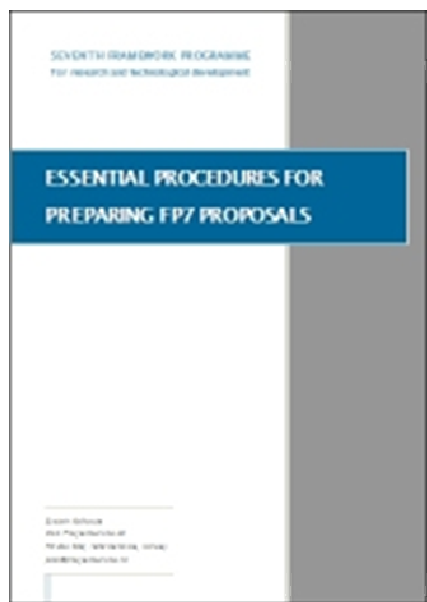
First edition: 1st November 2008

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MANAGEMENT PROCEDURES FOR EU-FUNDED RESEARCH PROJECTS

**Dedicated to Project Coordinators,
Work Package Leaders and Beneficiaries**

INTRODUCTION

The purpose of this publication is to provide guidance on management procedures for Project Coordinators, Work Package Leaders and Beneficiaries in EU-funded research projects. It is intended primarily for ongoing projects and for projects in their start-up phase. However, this publication may also be useful for projects in the planning and even the proposal stages.

The model Grant Agreement (i.e. the standard contract) is a key source of information on management procedures. In a strict contractual form and with legal terms, the Grant Agreement gives instructions on several administrative topics, and the reader is strongly advised to download the model Grant Agreement and all its annexes from CORDIS.

However, the Grant Agreement does not cover all relevant procedures or administrative topics. Nor can the additional procedures be found in the guidelines to the Grant Agreement — for example, (1) how to prepare for reporting, (2) how to follow up the time schedule, and (3) how to manage all the documents in the research project. This publication aims to fill in these gaps, and provides recommendations on a selection of other management procedures.

Rather than using the legal terminology in the Grant Agreement, this publication uses project terminology relevant for Research Coordinators, Work Package Leaders and Beneficiaries. Hopefully, this approach will make it a useful management tool for many EU-funded research projects.

This publication consists of three parts:

- *Part One — Contractual requirements* describes a series of management procedures required by the Grant Agreement. The requirements are embedded in the contractual articles of the core contract, and in the sections and paragraphs of its annexes.
- *Part Two — Practical Recommendations* provides general advice and recommendations on research project administration. It prescribes a selection of recommended management procedures and is based upon “best practice” management for research projects.
- *Part Three — Explanatory Diagrams* provides graphical presentations of the procedures described in Parts One and Two.

Parts One and Two are structurally similar to each other. All the activities in each procedure are summarised in separate tables. The tables highlight what each activity involves, when it takes place, who is responsible, how the activity is performed, why it must be done and the expected time it takes to complete. Each activity is supplied with a list of general advice.

Part Three is different. Instead of providing written texts concerning each activity, part three provides flow-chart overviews of each procedure from a “bird’s-eye perspective”. The reader is advised to consult the flow charts in part three together with the texts of parts one and two.

The table below sums up the procedures in this publication.

<i>Starting the Research Project</i>	<i>Yes. Part One</i>	<i>Yes. Part Three</i>
<i>Reporting and Payments</i>	<i>Yes. Part One</i>	<i>Yes. Part Three</i>
<i>Suspension of the Project (or part of it)</i>	<i>Yes. Part One</i>	<i>Yes. Part Three</i>
<i>General Amendments Initiated by the Consortium</i>	<i>Yes. Part One</i>	<i>Yes. Part Three</i>
<i>Organisational Amendments Initiated by the Consortium</i>	<i>Yes. Part One</i>	<i>Yes. Part Three</i>
<i>Organisational Amendments Initiated by the Commission</i>	<i>Yes. Part One</i>	<i>Yes. Part Three</i>
<i>Transfer of Foreground</i>	<i>Yes. Part One</i>	<i>Yes. Part Three</i>
<i>Time Schedule Management</i>		<i>Yes. Part Two</i> <i>Yes. Part Three</i>
<i>Revenue and Cost Management</i>		<i>Yes. Part Two</i> <i>Yes. Part Three</i>
<i>Procurement Management</i>		<i>Yes. Part Two</i> <i>Yes. Part Three</i>
<i>Inventory Management</i>		<i>Yes. Part Two</i> <i>Yes. Part Three</i>
<i>Document Management</i>		<i>Yes. Part Two</i> <i>Yes. Part Three</i>
<i>Preparations for Reporting</i>		<i>Yes. Part Two</i> <i>Yes. Part Three</i>
<i>Producing the Reports</i>		<i>Yes. Part Two</i> <i>Yes. Part Three</i>

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1. PART ONE — CONTRACTUAL REQUIREMENTS

A. STARTING THE RESEARCH PROJECT

1. ABOUT THE PROCEDURE

The “*Starting the Research Project*” procedure involves eight key activities. Three of these are contractually mandatory in the Grant Agreement or its annexes. The rest are merely additional recommended activities in this procedure.

It is not a legal requirement to carry out the additional recommended activities, but the activities in the Grant Agreement or its annexes are contractually mandatory. Note that the activities marked (C) in the list below are contractually mandatory, while those marked (R — refer to Parts 2 and 3) are recommended activities only.

The procedure starts with the signing of the Grant Agreement and ends with the commencement of research activities. Here are the eight key activities described in the procedure:

- ❖ Accession to the Grant Agreement (C)
- ❖ Pre-financing and Guarantee Fund Arrangements (C)
- ❖ Procedures for Time Schedule Management (R — refer to Parts 2 and 3)
- ❖ Procedures for Revenue and Cost Management (R — refer to Parts 2 and 3)
- ❖ Procedures for Procurement Management (R — refer to Parts 2 and 3)
- ❖ Procedures for Inventory Management (R — refer to Parts 2 and 3)
- ❖ Procedures for Document Management (R — refer to Parts 2 and 3)
- ❖ Distribution of Payments to Beneficiaries (C)

Note: (C) = Contractual, (R) = Recommended. Refer to “Part Three — Explanatory Diagrams” for details.

Properly completing the “*Starting the Research Project*” procedure may take up to 60 days.

2. ACCESSION TO THE GRANT AGREEMENT

Once the Coordinator and the legal representative of the Commission have signed the Grant Agreement, the Beneficiaries in the Consortium must accede to the Grant Agreement and thus assume the rights and the obligations established by the Grant Agreement.

As a formal activity required by the Grant Agreement, the Coordinator must contact each Beneficiary to make them accede to the Grant Agreement. Accession to the Grant Agreement is done by signing Form A. It must be stamped and signed in three originals by an authorised representative from each Beneficiary and countersigned by the Coordinator.

One original per Beneficiary should be sent by the Coordinator to the Commission no later than 45 days after the entry into force of the Grant Agreement. The remaining two originals should be archived with each Beneficiary and the Coordinator respectively.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>There is no need to arrange a physical meeting or ceremony for the signing of Form A</i> • <i>The forms can be sent by post</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>It is prudent to wait with the research activities until the Consortium has established proper management procedures</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Send Form A to the Coordinator by registered mail</i>

The table below gives a brief summary of this activity.

<i>ACTIVITY SUMMARY TABLE</i>	
What	<i>Accession to the Grant Agreement</i>
When	<i>After the Coordinator has signed the Grant Agreement</i>
Who	<i>The Beneficiaries</i>
How	<i>Sign Form A</i>
Why	<i>To become recognised members of the Consortium and thus be entitled to Commission funding</i>
Time	<i>Up to 45 days allowed</i>

3. PRE-FINANCING AND GUARANTEE FUND ARRANGEMENTS

Once the Grant Agreement has been signed, the Commission is obliged to make arrangements for the Pre-financing and the Guarantee Fund.

The net pre-financing for the research and management of the Consortium will be paid by the Commission to the Coordinator within 45 days after the entry into force of the Grant Agreement. To avoid costly bank guarantees, the Commission has established a new Guarantee Fund to manage the risk associated with non-recovery of sums due to the Commission by Beneficiaries of Grant Agreements. The fund is the property of the Beneficiaries of ongoing grant agreements.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Confirm banking details of all Beneficiaries (e.g. account holders, names of banks and account numbers with IBAN)</i> • <i>Obtain prior acceptance from the Beneficiaries to hold back the distribution of the net pre-financing until the Consortium has established proper management procedures</i> • <i>Create a payment plan and agree with the Beneficiaries the amounts payable for the contributions to each Work Package</i> • <i>Agree on procurement policy (e.g. centralised vs. decentralised procurement) because this will affect the sums due to each Beneficiary</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Check that the payment plan provides sufficient funds for each Beneficiary and their contributions to the Work Packages</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Confirm agreed conversion rates (i.e. hours/man months, cost per hour for all relevant job categories, budgeted man months and other costs)</i>

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
<i>What</i>	<i>Payment from the Commission to the Coordinator</i>
<i>When</i>	<i>After the Coordinator and Commission have signed the Grant Agreement</i>
<i>Who</i>	<i>The Commission</i>
<i>How</i>	<i>Bank transfer</i>
<i>Why</i>	<i>To provide funding for the project (i.e. payment goes to the Coordinator, who acts on behalf of the Beneficiaries)</i>
<i>Time</i>	<i>Up to 45 days</i>

4. DISTRIBUTION OF PAYMENTS TO BENEFICIARIES

Once the Beneficiaries have acceded to the Grant Agreement, they are entitled to receive pre-financing from the Coordinator.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Wait with the distribution of payment until the Consortium has established proper management procedures</i> • <i>Look at the forecast cash flow for each Beneficiary and consider dividing the distribution of pre-financing into two to three payments. (Full payment to each Beneficiary of its share of the net pre-financing puts the Coordinator at financial risk in case it becomes necessary to remove one of the legal entities from the list of Beneficiaries during the course of the research project)</i> • <i>If the Consortium has agreed on a centralised procurement policy it is logical to retain funds allocated to the payment of procurements (i.e. distribute man hours payments only)</i> • <i>Make payments to each Beneficiary as agreed</i> • <i>Maintain a journal with all relevant payment details (e.g. relevant details should include (a) account holder, (b) name and address of bank, (c) account number with IBAN, (d) amount paid, (e) date of payment, (f) rate of currency exchange, and (g) references to Work Packages, Grant Agreement and payment receipts)</i> • <i>Print out payment receipts from the bank and retain them for final reporting</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Wait with the research activities until the Consortium has established proper management procedures</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Check the actual payments against the agreed payment plan</i>

The table below gives a brief summary of the activity.

ACTIVITY SUMMARY TABLE	
What	<i>Payment from the Coordinator to the Beneficiaries</i>
When	<i>After the Beneficiaries have acceded to the Grant Agreement</i>
Who	<i>The Coordinator</i>
How	<i>Bank transfer</i>
Why	<i>To provide funding to each of the Beneficiaries</i>
Time	<i>Less than a day</i>

B. REPORTING AND PAYMENTS

1. ABOUT THE PROCEDURE

The “*Reporting and Payments*” procedure includes five key activities. Four of these are contractually mandatory in the Grant Agreement or its annexes. Note that the activities marked (C) in the list below are contractually mandatory, while those marked (R — refer to Parts 2 and 3) are recommended activities only.

“*Reporting and Payments*” begins with preparations for reporting and ends with the distribution of payments to the Beneficiaries. For completed research projects the process ends by dissolving the Consortium. Here are the five key activities described in the procedure:

- ❖ Preparations for Interim or Final Reporting (R — refer to Parts 2 and 3)
- ❖ Producing the Reports (C)
- ❖ Report Appraisal and Payment to Coordinator (C)
- ❖ Distribution of Payment to Beneficiaries (C)
- ❖ Sub-set of Final Reports (C)

Note: (C) = Contractual, (R) = Recommended. Refer to “Part Three — Explanatory Diagrams” for details. Sub-set of Final Reports is described in Annex II, section II.4, paragraph 3.

It is not unusual to encounter problems with reporting. For this reason, it is advisable to pay close attention to this procedure and to ensure that everyone knows what to do.

For interim reporting and payment, the entire procedure may take as long as five to six months. The final reporting and settlement of final financial issues is likely to take even longer.

2. PRODUCING THE REPORTS

After the end of each reporting period, the Consortium is obliged to submit a set of reports and a certificate on the financial statements to the Commission. The Commission has published a separate guideline on reporting, and the reader is advised to download it from CORDIS. To complement these guidelines, Parts 2 and 3 of this publication suggest procedures on how to prepare for reporting and how to produce the reports. Note that no research or management costs may be charged to the research project after the end of the final reporting period. For this reason, the Consortium may decide to agree on alternative ways to allocate chargeable management costs to the research project. After all, it may take as long as ten months before the Consortium can be dissolved.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Take leadership in the reporting procedure. Prepare the procedure well in advance</i> • <i>Read all the reporting requirements in the Grant Agreement and know the guidance notes “by heart”. Do not deviate from the proposed reporting templates</i> • <i>Do not underestimate the complexity of consolidating the accounts from each Beneficiary and consider the use of external expertise to assist</i> • <i>Observe that the periodic report cannot be compiled properly before everyone has submitted all the details to the Coordinator</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Read all the reporting requirements in the Grant Agreement</i> • <i>Do not underestimate the complexity of consolidating the accounts from each Beneficiary and consider the use of external expertise to assist</i> • <i>Use the proposed reporting templates</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Read all the reporting requirements in the Grant Agreement</i> • <i>Use the proposed reporting templates</i> • <i>Consider contacting external expertise (especially to produce Form C and all the other financial tables)</i>

The table below gives a brief summary of the activity.

ACTIVITY SUMMARY TABLE	
What	<i>Produce the required reports</i>
When	<i>Between the end of the reporting period and the deadline for reporting</i>
Who	<i>The Coordinator, Work Package Leaders and Beneficiaries together (Note: The Coordinator is responsible for submitting a complete and correct set of reports)</i>
How	<i>Writing texts, filling in a variety of tables, performing calculations, filling in Form C and getting it audited</i>
Why	<i>Contractual requirement (clarifies the current state of affairs within the project, releases additional funding from the Commission, and provides a benchmark from which to proceed with the research)</i>
Time	<i>Up to 60 days allowed</i>

3. REPORT APPRAISAL AND PAYMENT TO COORDINATOR

Once the reports have been submitted, they will be appraised by the Commission and further payments will be made available to the research project.

The Commission tends to use external agents to review the reports. They act as agents and are not authorised to allow any deviations from the reporting rules. Each of the submitted reports will be subject to scrutiny. The Commission may approve the reports and deliverables in whole or in part — or may make the approval subject to certain conditions. It may also reject the reports and deliverables by giving an appropriate justification. In such a case, the Coordinator will be required to resubmit or to take corrective action regarding the disapproved deliverables.

Once the reports and deliverables have been approved, the Commission will make payment to the Coordinator. The amount paid is based upon calculations derived from the submitted reports and the net pre-financing paid at the beginning of the research project. It is worthwhile to note that if the reported expenditure in the research project is significantly less than budgeted, the Commission may request a refund from the Consortium.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Stay in touch with the Commission regarding the submitted reports</i> • <i>Find out who is doing the appraisal</i> • <i>Consult a qualified expert regarding the lump sum calculations, if required</i>
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The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
What	<i>Report appraisal and payment to the Coordinator</i>
When	<i>Appraisal takes place when the reports have been submitted. Payment takes place when the reports have been approved</i>
Who	<i>The Commission</i>
How	<i>Reports are checked against the Grant Agreement and the guidance notes. Payment is made by bank transfer</i>
Why	<i>Check contractual conformance. The Commission wants to ascertain that the project performs according to the plans</i>
Time	<i>Up to 105 days if the reports are approved. Longer if they are rejected</i>

4. DISTRIBUTION OF PAYMENT TO BENEFICIARIES

Once the Commission has made the interim payment to the Coordinator, the money must be distributed to the Beneficiaries without delay.

The journal with all the relevant payment details will be helpful in reporting to the Commission at the end of the research project.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Consult a qualified expert regarding the distribution of funds, if required</i> • <i>Follow the agreed payment plan</i> • <i>Maintain the journal with all relevant payment details</i> • <i>Print out payment receipts from the bank and keep them for final reporting</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Check the actual payment from the Coordinator against the agreed payment plan</i> • <i>Consult a qualified expert regarding the payment, if required</i>

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
<i>What</i>	<i>Payment from the Coordinator to the Beneficiaries (interim payment)</i>
<i>When</i>	<i>After the Coordinator has received payment from the Commission</i>
<i>Who</i>	<i>The Coordinator</i>
<i>How</i>	<i>Bank transfer</i>
<i>Why</i>	<i>To provide funding to the Beneficiaries</i>
<i>Time</i>	<i>Less than a day</i>

5. SUB-SET OF FINAL REPORTS

Following the receipt of the final payment from the Commission and its distribution to the Beneficiaries, the Coordinator must submit a report on the distribution of the Commission funding among the Beneficiaries.

The payment journal will be helpful in producing the sub-set of final reports.

Here is some general advice concerning the activity:

Coordinator

- *Consult a qualified expert, if required*
-

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
<i>What</i>	<i>A report on the distribution of the Commission funding among the Beneficiaries</i>
<i>When</i>	<i>After final payment</i>
<i>Who</i>	<i>The Coordinator</i>
<i>How</i>	<i>Compile an aggregated report based upon the payment journal</i>
<i>Why</i>	<i>To make final settlements before dissolving the Consortium</i>
<i>Time</i>	<i>Up to 30 days allowed</i>

C. SUSPENSION OF THE PROJECT (OR PART OF IT)

1. ABOUT THE PROCEDURE

The Grant Agreement contains specific instructions on how to proceed in order to suspend the research project. To many Coordinators, this (rather unique) mechanism may offer relief from extreme strain as well as providing management leverage over the Consortium. For the same reasons, it is also a useful feature for the Commission.

The “*Suspension of the Project*” procedure involves four key activities. Three of these are contractually mandatory in the Grant Agreement or its annexes.

The Coordinator may suspend the research project if he considers it to be in serious trouble. This could be due to exceptional circumstances which render the execution excessively difficult or uneconomic — or even force majeure. The suspension procedure may also begin if the Commission considers that the Consortium is not fulfilling its obligations according to the Grant Agreement. The “*Suspension of the Project*” procedure ends when the situation is declared to be back to normal. Here are the four key activities described in the procedure:

- ❖ Monthly Routine (R — refer to Parts 2 and 3)
- ❖ Declaration of Suspension of Project (C)
- ❖ Project Reassessment (C)
- ❖ Declaration of Lifting of Suspension (C)

Note: (C) = Contractual, (R) = Recommended. Refer to “Part Three — Explanatory Diagrams” for details.

SIX RELEVANT REASONS TO SUSPEND A PROJECT

- *The project has become unmanageable due to an unrealistic time schedule*
 - *Failure to produce good quality deliverables*
 - *Insufficient funding or budget overrun*
 - *Internal squabbling within the Consortium*
 - *Unsettled contractual issues*
 - *Failure to adhere to the agreed management principles*
-

Suspending the research project takes effect immediately if it is initiated by the Coordinator. If it is initiated by the Commission, it takes ten days to effectuate the suspension. In both cases, it takes only one day to lift the suspension.

2. DECLARATION OF SUSPENSION OF PROJECT

If the research project experiences serious problems or if it is not fulfilling its obligations according to the Grant Agreement, the Coordinator or the Commission may decide to suspend the research project.

The research project becomes suspended immediately if the suspension is initiated by the Coordinator. The declaration should give an estimate of the date when the work on the research project will recommence. However, it takes ten days to suspend the research project if the suspension is declared by the Commission. During those ten days, the Consortium is entitled to object to the suspension.

If the declaration is issued by the Commission, it should include information about the conditions necessary to reinstate the work. The suspension must be fully justified whether it is declared by the Coordinator or by the Commission. Beneficiaries are not entitled to declare suspension. Once the research project is suspended, it takes no more than one day to lift the suspension. During the period of suspension, no costs may be charged to the research project for carrying out any part of the project that has been suspended. Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Use a standard template for the declaration of suspension. Inform the Consortium immediately about the declaration of suspension and arrange an extraordinary management telephone meeting to discuss the suspension. Ask for a personal meeting with the project officer in Brussels if the suspension is declared by the Commission</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Assess the consequences of the suspension. Make draft plans for the Work Package if required (time schedule, cost issues and deliverables issues). Discuss the suspension and the draft plans with the Beneficiaries that contribute to the Work Package</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Stop all activities that have been suspended (no costs are allowed during suspension). Assess the consequences of the suspension</i>

The table below gives a brief summary of the activity.

ACTIVITY SUMMARY TABLE	
What	<i>Temporary suspension of all or some of the project activities</i>
When	<i>If the project experiences serious problems or fails to fulfil its obligations (the suspension must be justifiable)</i>
Who	<i>The Coordinator or the Commission</i>
How	<i>Issue a declaration of suspension</i>
Why	<i>To cease activities and focus management attention so as to bring the situation back to normal in the project</i>
Time	<i>The suspension enters into force immediately if the declaration is issued by the Coordinator. If it is issued by the Commission, it takes ten days before it enters into force</i>

3. PROJECT REASSESSMENT

Once a research project has been declared suspended, it should ideally be reassessed on a daily basis.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Use the suspension “tool” with care. It is very powerful, but its misuse can rebound on the Coordinator</i> • <i>Arrange daily management telephone meetings</i> • <i>Keep the Commission and the Beneficiaries updated on a daily basis during the period of suspension</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Assess the situation on a daily basis with the Beneficiaries that contribute to the Work Package. Reschedule the research project if required</i>

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
<i>What</i>	<i>Reassess whether the problems have become manageable again, or if the conditions for lifting the suspension have been met</i>
<i>When</i>	<i>On a daily basis</i>
<i>Who</i>	<i>The Coordinator or the Commission</i>
<i>How</i>	<i>Depends on the reasons for the suspension</i>
<i>Why</i>	<i>To bring the situation back to normal as quickly as possible</i>
<i>Time</i>	<i>Depends on the reasons for the suspension</i>

4. DECLARATION OF LIFTING OF SUSPENSION

Once the parties to the Grant Agreement have agreed on the continuation of the research project and, as appropriate, once any necessary modification, including an extension of the duration of the research project, has been identified by means of a written amendment, the suspension of the whole or part of the research project may be lifted.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Use a standard template for the declaration of lifting of suspension</i> • <i>Inform the Consortium immediately about the declaration of lifting of suspension and arrange an extraordinary management telephone meeting to discuss the lifting of suspension</i> • <i>Ask for a telephone meeting with the research project officer in Brussels if the lifting of suspension is declared by the Commission</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Instruct the Beneficiaries to reinstate the work. Arrange a telephone meeting with the Beneficiaries if the research project plan has been changed</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Restart the research activities</i>

The table below gives a brief summary of the activity.

ACTIVITY SUMMARY TABLE	
What	<i>Termination of the temporary suspension of the project activities</i>
When	<i>When the project no longer experiences serious problems or no longer fails to fulfil its obligations</i>
Who	<i>The Coordinator or the Commission</i>
How	<i>Issue a declaration of lifting suspension</i>
Why	<i>To reinstate the suspended activities</i>
Time	<i>The lifting of suspension enters into force the day after issuing the lifting of suspension</i>

D. GENERAL AMENDMENTS INITIATED BY THE CONSORTIUM

1. ABOUT THE PROCEDURE

The “*General Amendments*” procedure involves nine key activities. Six of these are contractually mandatory in the Grant Agreement or its annexes. Refer to Part Three for visualisation of the nine activities of the procedure.

The procedure begins when the Consortium realises the need to make a general amendment to the Grant Agreement. It ends when the amendment is approved or rejected by the Commission. Here are the key activities described in the procedure:

- ❖ Preparatory Work (R — refer to Part 3)
- ❖ Amendment Request (C)
- ❖ Validation, Assessment, Approval or Rejection (C)
- ❖ Follow up Validation (R — refer to Part 3)
- ❖ Automatic Rejection (C)
- ❖ Follow up Assessment (R — refer to Part 3)

Note: (C) = Contractual, (R) = Recommended. Refer to “Part Three — Explanatory Diagrams” for details.

Experienced Coordinators may anticipate the need for amendments at an early stage of the research project. In any case, it is advisable to monitor the research project on a regular basis to predict the need for amendments and to ensure uninterrupted project execution.

NINE EXAMPLES OF GENERAL AMENDMENTS INITIATED BY THE CONSORTIUM

- *Project title and/or acronym*
 - *Contact details*
 - *Banking details*
 - *Reporting periods*
 - *Addition, removal or modification of special clauses*
 - *Duration and/or start date*
 - *Modifications to Annex I (Description of Work)*
 - *Amount of pre-financing and/or of the contribution to the Guarantee Fund*
 - *Community financial contribution*
-

Note that a general amendment is a legal act modifying the commitments initially accepted by the signatories. An amendment may create new rights or impose new obligations, or it may modify significant parts of the Grant Agreement. The core contract to the Grant Agreement and Annex I can

be subjected to general amendments, but any of the standard annexes (e.g. Annex II and III) cannot be amended.

The amendment feature allows the Consortium to implement changes to the Grant Agreement at any time between:

- The date of entry into force of the Grant Agreement
- The date of the final payment

In principle, this implies that amendments can be implemented once all research activities have been completed. However, amendments can neither call into question the decision to award the grant nor result in the unequal treatment of the Beneficiaries. Consult the Work Programme, the Call Fiche applicable to the project and even the ESR (Evaluation Summary Report).

Making amendments can be time-consuming. The Commission may take up to 45 days to assess an amendment request. Prior to that, the Consortium may need up to several weeks to prepare the request. For this reason, it may take a long time to formally implement an amendment.

In some cases, the amendment request and assessment period may take an unacceptably long time. It may be controversial to do so, but in order to avoid a drawn-out and unmanageable situation, the Coordinator may consider suspending the research project while the procedure is going on.

Do not implement any changes until the Commission has written a letter of approval.

2. AMENDMENT REQUEST

The table below provides a shortlist of relevant documents that may have to be included. It may not be complete or cater for all types of general amendments.

SHORTLIST OF RELEVANT DOCUMENTS FOR GENERAL AMENDMENTS

- *Formal letter (template)*
 - *Modified core Grant Agreement and Modified Annex I (Description of Work)*
 - *Grant Preparation Forms duly completed and signed by the Beneficiary concerned*
 - *Legal and financial documents*
-

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>As the preparations for an amendment request are time-consuming, it is advisable to discuss the changes with the Commission first</i> • <i>In order to have an updated overview of all amendments (including requests and rejected amendments), it is advisable to establish an amendment journal</i> • <i>Consider these issues for the amendment journal</i> <ul style="list-style-type: none"> ○ <i>Amendment ID (e.g. number)</i> ○ <i>Amendment name and category</i> ○ <i>Dates of submission, approval, rejection (if any)</i> ○ <i>Date of entry into force</i> ○ <i>Short description of the amendment</i> ○ <i>The names of the signatories on the amendment</i> ○ <i>References to supporting documents</i> • <i>Consider a classification system for amendments (e.g. Class A amendments = specific changes to the nature of the deliverables, Class B amendments = changes to the methodology for creating the deliverables)</i> • <i>It is not compulsory to send the amendment request by registered mail. However, it is important to use means that can verify the date of receipt of the request. Requests sent via email are not valid</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Understand the proposed amendments before accepting them</i> • <i>Consult the Beneficiaries affected by the proposed amendments</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Understand the proposed amendments before accepting them</i>

The table below gives a brief summary of the amendment request activity.

ACTIVITY SUMMARY TABLE	
What	<i>Prepare a formal letter and supporting documents for an amendment request</i>
When	<i>If one or more of the general terms in the Grant Agreement need to be changed (see the examples provided in "1. About the Procedure")</i>
Who	<i>The Coordinator</i>
How	<i>Major changes must be properly understood and accepted, and proof of the agreement of the Beneficiaries must exist. Any general amendment request signed by the Coordinator commits the Consortium</i>
Why	<i>It is necessary to formalise any changes to the Grant Agreement</i>
Time	<i>Preparing a general amendment request may take time and effort. Requests to amend Annex I (Description of Work) or any amendment affecting the time schedule or cost issues may be particularly arduous and slow</i>

3. VALIDATION, ASSESSMENT, APPROVAL OR REJECTION

Upon receiving the general amendment request, the Commission can either accept it by sending an acceptance letter or reject it by means of a letter of rejection.

The decision (i.e. approval or rejection) by the Commission is unconditional. According to the clauses in the Grant Agreement, amendment requests must be considered as a fixed package made up of one or more inseparable modifications.

Note, if the Commission does not formally reply by letter within 45 days, the absence of a reply is considered a rejection. If the Commission agrees with the amendment request, its letter of approval is part of the amendment documentation.

Under certain circumstances, the Commission may agree in principle to the proposed changes but disagree with the amendment request as proposed by the Consortium. In such a case the Commission may propose another amendment to the Coordinator by means of another amendment letter. If the Coordinator does not reply within 60 days, the absence of a reply is considered a rejection and the proposed amendment from the Commission will expire.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> Keep in touch with the Commission and follow up the validation and assessment of the amendment request. (The submitted request may be deficient or invalid, or there may be issues that might slow down the assessment and thus prevent the Commission from issuing a clear approval)
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> Keep in touch with the Coordinator and follow up the validation and assessment of the amendment request
<i>Beneficiaries</i>	<ul style="list-style-type: none"> Keep in touch with the Work Package Leaders and follow up the validation and assessment of the amendment request

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
What	<i>Validation, assessment, rejection or approval of an amendment request</i>
When	<i>After an amendment request has been submitted by the Coordinator</i>
Who	<i>The Commission</i>
How	<i>The request is checked against the Grant Agreement and the guidelines for amendments</i>
Why	<i>It is necessary to formalise any changes to the Grant Agreement</i>
Time	<i>Up to 45 days</i>

4. AUTOMATIC REJECTION

An amendment request might be deemed by the Commission to be invalid and thus become automatically rejected. If this is the case, the Commission has to indicate this in writing to the Coordinator, stating that the request does not fulfil the conditions of the Grant Agreement and giving reasons for this.

Anything from major mistakes or errors in the amendment request to technical details could give rise to problems. For instance, the Commission may automatically reject the amendment request in the case of missing supporting documents, an unauthorised signature, an incorrect date or a misprinted reference to any of the supporting documents or the contractual documents.

Here is some general advice concerning the activity:

Coordinator

- *Consider resubmitting the amendment request*
-

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
What	<i>Automatic rejection because the amendment request is invalid</i>
When	<i>If the amendment request cannot be validated by the Commission</i>
Who	<i>The Commission</i>
How	<i>A letter to the Coordinator</i>
Why	<i>To inform the Coordinator that the request cannot be validated</i>
Time	<i>The issuing of the written statement may take some time — up to 45 days</i>

E. ORGANISATIONAL AMENDMENTS INITIATED BY THE CONSORTIUM

1. ABOUT THE PROCEDURE

This procedure involves 11 key activities. Eight of these are contractually mandatory in the Grant Agreement or its annexes. Refer to Part Three for visualisation of the eleven activities of the procedure.

The procedure begins when the Consortium realises the need to make an organisational amendment to the Grant Agreement. It ends when the amendment is approved or rejected by the Commission. Here are the key activities described in the procedure:

- ❖ Preparatory Work (R — refer to Part 3)
- ❖ Amendment Request (C)
- ❖ Validation, Assessment, Approval or Rejection (C)
- ❖ Follow up Validation (R — refer to Part 3)
- ❖ Automatic Rejection (C)
- ❖ Follow up Assessment (R — refer to Part 3)

Note: (C) = Contractual, (R) = Recommended. Refer to “Part Three — Explanatory Diagrams” for details.

TWO EXAMPLES OF ORGANISATIONAL AMENDMENTS INITIATED BY THE CONSORTIUM

- *Addition or removal of one or more Beneficiaries*
 - *Change of Coordinator*
-

Organisational amendments are legal acts modifying the commitments initially accepted by signatories to the Grant Agreement. Any changes to the composition of the Consortium or the roles and responsibilities within the Consortium may create new rights and new obligations. Note that Annexes II and III cannot be amended. On the other hand, the core contract to the Grant Agreement and Annexes I, IV and V are highly likely to be affected by an organisational amendment. In addition, the Consortium Agreement will be affected by such an amendment.

Accepted changes to the project organisation may be implemented at any time between:

- The date of entry into force of the Grant Agreement
- The date of the final payment

This implies that amendments can be implemented once all research activities have been completed. However, it is unusual to make organisational amendments towards the end of a research project. Note that the Commission will decline amendment requests that may call into question the decision to award the grant or that may result in the unequal treatment of the Beneficiaries. Consult the Work Programme, the Call Fiche applicable to the project and even the ESR (Evaluation Summary Report).

It may take up to 45 days to validate and assess an amendment request. Prior to this, the Consortium may have spent several weeks preparing the amendment request. Making amendments can be very time-consuming — in some cases the procedure can be unacceptably long. The Coordinator may consider suspending the project (or parts of it) while the procedure is going on.

2. AMENDMENT REQUEST

The table below provides a shortlist of relevant documents that may have to be included in requests for organisational amendments.

SHORTLIST OF RELEVANT DOCUMENTS FOR ORGANISATIONAL AMENDMENTS

- *Formal letter (template)*
 - *Modified core Grant Agreement and modified Annex I (Description of Work)*
 - *Grant Preparation Forms duly completed and signed by the Beneficiary concerned*
 - *Participation Identification Code of the Beneficiary concerned*
 - *Forms A and B*
 - *Letters of requests from the previous and the new Coordinator*
 - *Legal and financial documents*
-

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>As preparations for an amendment request are time-consuming, it is advisable to discuss the changes with the Commission first. An amendment journal may be useful in updating the overview of all amendments (including requests and rejected amendments). Refer to the "General Amendments" procedure for details</i> • <i>It is not compulsory to send the amendment request by registered mail. However, it is important to use means that can verify the date of receipt of the request. Requests sent via email are not valid. Maintain a journal with all relevant amendment details</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Understand the proposed amendments</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Understand the proposed amendments before accepting them. Beneficiaries who have completed the agreed work and received the appropriate funds should consider withdrawing from the GA.</i>

The table below gives a brief summary of the amendment request activity.

ACTIVITY SUMMARY TABLE	
What	<i>Prepare a formal letter and supporting documents for an amendment request</i>
When	<i>In cases of the addition or removal of one or more Beneficiaries, or the change of Coordinator</i>
Who	<i>The Coordinator (or the Beneficiaries if the amendment concerns changing the Coordinator without his consent)</i>
How	<i>Major changes must be properly understood and accepted, and proof of the agreement of the Beneficiaries must exist. Any amendment request signed by the Coordinator commits the Consortium</i>
Why	<i>It is necessary to formalise any changes to the Grant Agreement</i>
Time	<i>Preparing an amendment request concerning organisational issues may take time and effort</i>

3. VALIDATION, ASSESSMENT, APPROVAL OR REJECTION

The Commission can either accept the amendment request by sending an acceptance letter, or reject it by means of a letter of rejection. The validation, assessment, approval and rejection rules are complicated for organisational amendments initiated by the Consortium.

If a valid amendment request concerns the addition or removal of a Beneficiary, and if it is supported by all parties in the Consortium, the absence of a reply from the Commission within 45 days is considered an approval. Note that this applies to undisputed organisational amendments. (At some stage, however, the Commission is obliged to issue a letter of approval, but it does not have to be issued within the 45-day time limit. The letter of approval should be archived as part of the amendment documentation.)

On the other hand, if the Beneficiaries concerned have not agreed to the amendment, or if the request concerns the appointment of a new Coordinator, then the absence of a reply from the Commission within 45 days is considered a rejection. If the Commission agrees with the amendment request, it is obliged to issue a letter of approval within the 45-day time limit. The letter of approval should be archived as part of the amendment documentation.

In certain situations, the Commission may agree in principle to the proposed changes but disagree with the amendment request as proposed by the Consortium. For example, the amendment request may be acceptable in terms of purpose and general conditions but may include one or more unacceptable modifications.

The Commission may then reject the request and suggest that the Consortium submits a new request, or it may propose another amendment to the Coordinator by means of another amendment letter. If the Coordinator does not reply within 60 days, the absence of a reply is considered a rejection and the proposed amendment from the Commission will expire.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Keep in touch with the Commission and follow up the validation and assessment of the amendment request. (The submitted request may be deficient or invalid, or there may be issues that might slow down the assessment and thus prevent the Commission from issuing a clear approval)</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Keep in touch with the Coordinator and follow up the validation and assessment of the amendment request</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Keep in touch with the Work Package Leaders and follow up the validation and assessment of the amendment request</i>

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
What	<i>Validation, assessment, and rejection or approval of an amendment request</i>
When	<i>After an amendment request has been submitted by the Coordinator</i>
Who	<i>The Commission</i>
How	<i>The request is checked against the Grant Agreement and the guidelines for amendments</i>
Why	<i>It is necessary to formalise any changes to the Grant Agreement</i>
Time	<i>Up to 45 days</i>

4. AUTOMATIC REJECTION

The Commission might deem an amendment request to be invalid and thus reject it automatically. In such a case, the Commission has to indicate this in writing to the Coordinator, stating that the request does not fulfil the conditions of the Grant Agreement and giving reasons for this.

Possible problems with the request could be anything from major mistakes or errors in the amendment request to technical details. For instance, the Commission may automatically reject the amendment request in the case of missing supporting documents, an unauthorised signature, an incorrect date or a misprinted reference to any of the supporting documents or the contractual documents.

Here is some general advice concerning the activity:

Coordinator

- *Consider resubmitting the amendment request*
-

The table below gives a brief summary of the activity.

<i>ACTIVITY SUMMARY TABLE</i>	
<i>What</i>	<i>Automatic rejection because the amendment request is invalid</i>
<i>When</i>	<i>If the amendment request cannot be validated by the Commission</i>
<i>Who</i>	<i>The Commission</i>
<i>How</i>	<i>A letter to the Coordinator</i>
<i>Why</i>	<i>To inform the Coordinator that the request cannot be validated</i>
<i>Time</i>	<i>The issuing of the written statement may take some time — up to 45 days</i>

F. ORGANISATIONAL AMENDMENTS INITIATED BY THE COMMISSION

1. ABOUT THE PROCEDURE

This procedure involves nine key activities. Seven of these are contractually mandatory in the Grant Agreement or its annexes. Refer to Part Three for visualisation of the nine activities of the procedure.

The procedure begins when the Commission notifies the Consortium that it has decided to terminate the Grant Agreement or to remove one or more Beneficiaries from the list of Beneficiaries. It ends when the research project is terminated or the Beneficiaries concerned have been removed. Here are the key activities described in the procedure:

- ❖ Notification to Beneficiaries and Coordinator (C)
- ❖ Finding a Replacement Beneficiary (R — refer to Part 3)
- ❖ Preparations for Exit Reporting (R — refer to Part 3)
- ❖ Beneficiaries Producing the Exit Reports (C)
- ❖ Sub-set of Final Reports (C)
- ❖ Calculation of Net Amount (C)
- ❖ Settlement of Net Amount (C)
- ❖ Notification of Financial Sanctions (C)
- ❖ Financial Sanctions against Beneficiaries (C)

Note: (C) = Contractual (R) = Recommended. Refer to “Part Three — Explanatory Diagrams” for details. Sub-set of Final Reports is described in Annex II, section II.4, paragraph 3.

POSSIBLE ORGANISATIONAL AMENDMENTS AND JUSTIFIABLE REASONS

- *Termination of Grant Agreement, or*
 - *Removal of one or more legal entities from the list of Beneficiaries, due to:*
 - *Non-accession to the Grant Agreement*
 - *Non-performance, poor performance of the work or breach of any substantial obligation*
 - *Deliberate or negligent irregularities*
 - *Breach of ethical principles*
 - *Disapproval of reports or deliverables*
 - *Major technical or economic reasons*
 - *Considerable reduction in potential use of foreground*
 - *Unacceptable legal, financial, organisational or technical change or change of control of a Beneficiary*
 - *Removal of a Beneficiary*
 - i. Affects the implementation of the project*
 - ii. Affects the interests of the Community*
 - iii. Calls into question the decision for the Grant Agreement*
 - *Impossible reactivation of the project following force majeure*
-

-
- *The project no longer satisfies the conditions established by the*
 - i. Rules for Participation*
 - ii. Call for Proposals*
 - *An offence or misconduct of which a Beneficiary is found guilty*
 - *Failure to request an acceptable amendment following the removal of a Beneficiary*
 - *Bankruptcy or winding up of a Beneficiary*
-

Terminating the Grant Agreement or removing legal entities from the list of Beneficiaries are legal acts. Theoretically, the Commission may take legal action at any time between:

- The entry into force date of the Grant Agreement
- The date on which the Consortium is dissolved

If the Commission decides to remove a Beneficiary, the Grant Agreement allows the procedure to be completed within 75 days. If the Commission decides to terminate the entire Grant Agreement, the procedure may take a maximum of 90 days.

2. NOTIFICATION TO BENEFICIARIES AND COORDINATOR

If the Commission decides to terminate the Grant Agreement or to remove one or more Beneficiaries from the research project, it has to notify the Beneficiaries concerned and the Coordinator.

Any amendment notification from the Commission must be valid. Note that the Commission cannot directly insist on any general amendments to the Grant Agreement (e.g. changing reporting periods, adding/removing any special clauses, changing the duration of the research project, modifying Annex I or changing the funding structure). Neither can the Commission directly insist on adding new legal entities to the list of Beneficiaries, nor on removing/adding individual people to or from the research project. If it does wish to do so, it has to terminate the Grant Agreement first, or it has to insist on removing one or more entities from the list of Beneficiaries and thus open itself up for a renegotiation of the Grant Agreement.

The Beneficiaries concerned are entitled to dispute a decision by the Commission to remove one or more legal entities from the list of Beneficiaries. The Consortium is also entitled to object to the termination of the Grant Agreement. The Court of Justice of the EC has the sole jurisdiction to hear any dispute concerning the interpretation, application or validity of the Grant Agreement.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Refer to the Grant Agreement for a validity check of the amendment</i> • <i>Contact the Commission and request a personal meeting to discuss the matter</i> • <i>Make preparations for exit reporting</i> • <i>Consider suspending the research project in order to redistribute the work and cost allocation, and to reschedule the research project</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Start looking for replacements for the Beneficiaries whose participation will be terminated</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Check for deficiencies in the notification from the Commission</i> • <i>Evaluate the justification behind the decision</i> • <i>Note that research activities may usually continue for up to 30-45 days after the notification (unless the research project or parts of it becomes suspended)</i>

The table below gives a brief summary of the activity.

ACTIVITY SUMMARY TABLE	
What	<i>Notification of the termination of the Grant Agreement or notification of the removal of one or more legal entities from the list of Beneficiaries</i>
When	<i>If the Commission has a valid reason and has decided to terminate the Grant Agreement or the participation of the Beneficiaries concerned</i>
Who	<i>The Commission</i>
How	<i>Notification to the Beneficiaries concerned and a copy to the Coordinator</i>
Why	<i>To inform the Consortium and the Beneficiaries about the upcoming amendment</i>
Time	<i>Termination takes effect 45 days after the notification has been received by the Coordinator. Decisions to remove Beneficiaries take effect on the date indicated by the Commission, but no later than 30 days after the notification has been received by the Beneficiaries</i>

3. BENEFICIARIES PRODUCING THE EXIT REPORTS

Following the effective date of termination, the Beneficiaries whose participation has been terminated must submit (through the Coordinator) all required reports and deliverables relating to the work carried out up to that date.

Sending the reports by registered mail is not a requirement, but it is important to use means that can verify the date of receipt of the reports. Except for Form C and the Audit Certificate, all documents and individual contributions to the reports may be sent by email within the Consortium.

Note that the periodic report cannot be compiled properly before the Beneficiaries concerned have submitted all the details to the Coordinator. No research or management costs may be charged to the research project by the Beneficiaries concerned after the effective date of termination.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Get confirmation from the Commission that the periodic report should be based on reporting from the removed Beneficiaries only</i> • <i>Take leadership in the reporting procedure. Prepare the procedure well in advance</i> • <i>Read all the reporting requirements in the Grant Agreement and know the guidance notes “by heart”</i> • <i>Do not deviate from the proposed reporting templates</i> • <i>Do not underestimate the complexity of consolidating the accounts from each Beneficiary and consider the use of external expertise to assist</i> • <i>Observe that the periodic report cannot be compiled properly before everyone has submitted all the details to the Coordinator</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Read all the reporting requirements in the Grant Agreement</i> • <i>Use the proposed reporting templates</i> • <i>Consider contacting external expertise (especially to produce Form C and all the other financial tables)</i>

The table below gives a brief summary of the activity.

ACTIVITY SUMMARY TABLE	
What	<i>Producing exit reports</i>
When	<i>Between the effective date of termination and the reporting deadline</i>
Who	<i>The Coordinator and the Beneficiaries whose participation has been terminated</i>
How	<i>Writing texts, filling in a variety of tables, performing calculations, and filling in Form C and getting it audited</i>
Why	<i>Contractual requirement (provides a benchmark from which to proceed with the research)</i>
Time	<i>Up to 45 days allowed</i>

4. SUB-SET OF FINAL REPORTS

Following the effective date of termination, the Coordinator must submit a report to the Commission on the distribution of Commission funding to the Beneficiaries whose participation has been terminated.

Here is some general advice concerning the activity:

Coordinator • *Consult a qualified expert if required*

The table below gives a brief summary of the activity.

What	<i>A report on the distribution of Commission funding to the Beneficiaries whose participation has been terminated</i>
When	<i>After the effective date of termination</i>
Who	<i>The Coordinator</i>
How	<i>Compile an aggregated report based upon the payment journal</i>
Why	<i>To prepare the final settlements before removing the Beneficiaries concerned</i>
Time	<i>Up to 30 days allowed</i>

5. CALCULATION OF NET AMOUNT

Once the sub-set of final reports has been submitted to the Commission by the Coordinator, and the exit reports have been submitted by the Beneficiaries to the Commission via the Coordinator, the Commission is able to calculate the debt owed by the Consortium and notify the Coordinator.

Debt owed = the sum of Commission funding that has been effectively transferred to the Beneficiaries whose participation has been terminated — minus the refundable costs generated by those Beneficiaries up to the effective date of termination.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Cross-check calculations of debt owed by comparing Form C with payment details</i> • <i>Consult a qualified expert if required</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Cross-check calculations of debt owed by comparing Form C with the payment details</i> • <i>Consult a qualified expert if required</i>

The table below gives a brief summary of the activity.

What	<i>Calculation the debt owed by the Consortium and notification of debt owed</i>
When	<i>After the sub-set of final reports and the exit reports have been submitted</i>
Who	<i>The Commission</i>
How	<ul style="list-style-type: none"> • <i>Calculation is based on the funding received by the Beneficiaries and the costs that they have incurred</i> • <i>Notification is sent to the Beneficiaries concerned with instructions on how to repay the debt owed (payment goes either directly from the Beneficiary to the Commission or via the Coordinator)</i>
Why	<i>To prepare the ground for final settlements before removing the Beneficiaries</i>
Time	—

6. SETTLEMENT OF NET AMOUNT

Settlement takes place once the Commission has notified the Beneficiaries about the debt owed.

The text in the Grant Agreement assumes that the Beneficiaries have received more pre-financing and/or interim payments than their reimbursable expenses at the time of termination. This may not be the case in all research projects.

The actual debt owed depends on the agreed financial strategy of the Consortium. For instance, if the Consortium has agreed to distribute the pre-financing in two or three payments and not as a lump sum, the Beneficiaries concerned may owe no debt at all. Therefore, the settlement may not involve a transfer from the Beneficiaries but rather a payment to the Beneficiaries.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Check the actual payment within ten days following the 30-day deadline if the settlement of debt owed by the Beneficiaries goes through the Coordinator</i> • <i>Update the payment journal</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Check with the accounting department that the payment has gone through. Ask for a printed receipt to prove payment details</i>

The table below gives a brief summary of the activity.

What	<i>Settlement of debt owed</i>
When	<i>After notification of debt owed</i>
Who	<i>The Beneficiaries concerned (assuming that the Beneficiaries owe a debt to the Commission, and not vice versa)</i>
How	<i>Bank transfer</i>
Why	<i>To settle financial issues in connection with removing Beneficiaries</i>
Time	<i>Up to 30 days allowed</i>

7. NOTIFICATION OF FINANCIAL SANCTIONS

If the Beneficiaries concerned fail to submit all the required reports and deliverables relating to the work carried out up to the effective date of termination, the Commission may issue a notification of financial sanctions.

A notification of Financial Sanctions against the Beneficiaries concerned could cause problems for the entire Consortium. This is because in the absence of a receipt for the required reports, the Commission may consider that the Beneficiary whose participation is terminated owes no money to the Commission, and that the Community contribution already paid is still at the disposal of the Consortium and under its responsibility.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Consider suspending all research project activities. No research or management costs may be charged to the research project after this juncture. This may save money and improve financial liquidity within the Consortium</i> • <i>Offer help and assistance to the Beneficiaries concerned</i> • <i>Identify a qualified expert and brief him about the situation</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Consider hiring external experts to help with the reporting</i> • <i>Identify a qualified expert and brief him about the situation</i>

The table below gives a brief summary of the activity.

What	<i>Notification of financial sanctions</i>
When	<i>After the reporting deadline</i>
Who	<i>The Commission</i>
How	<i>Notification</i>
Why	<i>To pressurise the Beneficiaries to produce the required reports</i>
Time	<i>30 days' extended reporting deadline before financial sanctions are implemented</i>

8. FINANCIAL SANCTIONS AGAINST BENEFICIARIES

Financial sanctions may be implemented 30 days after the notification of financial sanctions.

Financial sanctions could include measures that affect the Beneficiaries concerned and/or the Consortium as a whole. The Commission may, for example, require the reimbursement of any due pre-financing from the Beneficiaries concerned, or it could decide to not take into account any further cost claims and to not make any further reimbursements.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Consider suspending the research project in order to save funds</i> • <i>Contact the Commission and find out if the Consortium will be held collectively responsible for the failure to produce all the required reports and deliverables</i> • <i>Seek assistance from a competent expert</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Seek assistance from a competent expert</i>

The table below gives a brief summary of the activity.

What	<i>Implementation of financial sanctions</i>
When	<i>30 days after the extended reporting period</i>
Who	<i>The Commission</i>
How	<i>Recalculation of debt owed</i>
Why	<i>To recover sums due to the Commission by the Beneficiaries of Grant Agreements</i>
Time	—

G. TRANSFER OF FOREGROUND

1. ABOUT THE PROCEDURE

This procedure involves five key activities. All of these are contractually mandatory in the Grant Agreement or its annexes.

The procedure begins when one or more Beneficiaries issues a notification that they intend to transfer the jointly-owned foreground to new owners. It ends when the transfer is agreed and completed. Here are the five key activities described in the procedure:

- ❖ Notification of Intended Transfer (C)
- ❖ Assessment of Transfer (C)
- ❖ Assessment of Transfer — to third parties in third countries not associated with FP7 (C)
- ❖ Negotiations on Access Rights and Date of Transfer (C)
- ❖ Transfer Agreed and Completed (C)

Note: (C) = Contractual. Refer to “Part Three — Explanatory Diagrams” for details.

The term access rights is pivotal when it comes to objections to transfer. In this context, access rights mean licences and user rights to foreground (e.g. results generated in the research project, including information, materials and knowledge). Foreground includes both intangible and tangible results such as intellectual property rights, similar forms of protections and unprotected know-how.

SEVEN EXAMPLES OF FOREGROUND

- *Copyright-protected material*
 - *Design rights*
 - *Patent rights*
 - *Confidential information*
 - *Prototypes*
 - *Micro-organisms*
 - *Source codes*
-

Transfer may take place at any time between:

- The entry into force date of the Grant Agreement
- The date on which the Consortium is dissolved

Properly completing the “*Transfer of Foreground*” procedure may take less than 30 days.

2. NOTIFICATION OF INTENDED TRANSFER

It is a requirement in the Grant Agreement to give prior notice to the other Beneficiaries in the same research project within 45 days of the intended transfer (other time limits may be agreed).

The notification should contain sufficient information about the new owner of the foreground to permit them (i.e. the other Beneficiaries) to exercise their access rights. Objections from the other Beneficiaries may be raised within 30 days (other time limits may be agreed) if the transfer adversely affects their access rights. If this adverse effect can be demonstrated, the intended transfer cannot take place until an agreement has been reached.

Here is some general advice concerning the activity:

<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Notify all Beneficiaries (plus the Commission if the intended transfer goes to a third party in a third country not associated with FP7)</i> • <i>Check that the transfer does not adversely affect the access rights of any other Beneficiaries</i> • <i>Check that the transfer does not render the foreground inaccessible for European countries and that it does not create a major competitive disadvantage for European companies</i> • <i>Check that the transfer does not result in compromising ethical rules and principles recognised at European or international level</i> • <i>Check that the transfer does not cause significant foreground to be not readily available on the European market, or that sensitive foreground is not transferred to countries that are deemed to be a security risk</i>
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The table below gives a brief summary of the activity.

What	<i>A pre-warning to inform about the intention to transfer</i>
When	<i>At any time between the entry into force date of the Grant Agreement and the date on which the Consortium is dissolved</i>
Who	<i>One or more Beneficiaries (those who wish to transfer to new owners)</i>
How	<i>A written statement</i>
Why	<i>Formal requirement in the Grant Agreement to avoid disputes</i>
Time	—

3. ASSESSMENT OF TRANSFER

The assessment of the transfer includes a thorough analysis of the effect on the access rights. If the envisaged transfer of ownership adversely affects the access rights, any other Beneficiary may object and call for negotiations. The notification of transfer must include information concerning the new owner. If the information is insufficient, the Beneficiaries may object and call for negotiations. If the negotiations are unsuccessful, the transfer may not take place.

Here is some general advice concerning the activity:

<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Check that the transfer does not adversely affect access rights</i>
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The table below gives a brief summary of the activity.

What	<i>Analysis of the cause and effect of the intended transfer</i>
When	<i>After the effective date of notification</i>
Who	<i>The Beneficiaries in the Consortium (i.e. those who may have their access rights affected by the envisaged transfer)</i>
How	<i>Check the notification against the clauses in the Grant Agreement, the Consortium Agreement and the official Guide to Intellectual Property Rights for FP7 projects. Check also against separate business plans</i>
Why	<i>To protect foreground capable of industrial or commercial application</i>
Time	<i>Normally up to 30 days</i>

4. ASSESSMENT OF TRANSFER — TO THIRD PARTIES IN THIRD COUNTRIES

The Commission may object to an intended transfer of foreground to third parties in third countries not associated with FP7 if it considers that this is not in accordance with the interests of developing the competitiveness of the European economy or is inconsistent with ethical principles or security considerations.

Here is some general advice concerning the activity:

<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Check that the transfer does not adversely affect access rights</i>
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The table below gives a brief summary of the activity.

What	<i>Analysis of the cause and effect of the intended transfer</i>
When	<i>After the effective date of notification</i>
Who	<i>The Commission and the Beneficiaries in the Consortium (i.e. those who may have their access rights affected by the envisaged transfer)</i>
How	<i>Check the notification against the clauses in the Grant Agreement, the Consortium Agreement and the official Guide to Intellectual Property Rights for FP7 projects. Check it also against separate business plans</i>
Why	<i>To protect foreground capable of industrial or commercial application</i>
Time	<i>Normally up to 30 days</i>

5. NEGOTIATIONS ON ACCESS RIGHTS AND DATE OF TRANSFER

Here is some general advice concerning the activity:

<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Make sure the rules for access rights (described in the Grant Agreement) are maintained and that the rules in the Consortium Agreement are followed</i>
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The table below gives a brief summary of the activity.

What	<i>Negotiation on access rights and date of transfer</i>
When	<i>Only if anyone has a valid objection to the envisaged transfer, and after the deadline for objections (usually 30 days after the effective date of notification)</i>
Who	<i>The Beneficiaries who intend to transfer and those whose access rights are adversely affected by the transfer</i>
How	<i>Bilateral or multilateral negotiations</i>
Why	<i>To protect the access rights of the Beneficiaries</i>
Time	<i>No time limit</i>

6. TRANSFER AGREED AND COMPLETED

The table below gives a brief summary of the activity.

What	<i>Transfer of ownership</i>
When	<i>If there are no objections, or if all objections have been negotiated and agreement has been reached</i>
Who	<i>The transferring Beneficiaries and the new owners</i>
How	<i>A separate contract has to be made</i>
Why	<i>To ensure a proper framework for new owners</i>
Time	—

2. PART TWO — PRACTICAL RECOMMENDATIONS

H. TIME SCHEDULE MANAGEMENT

1. ABOUT THE PROCEDURE

The “*Time Schedule*” procedure involves six key activities. None of these are contractually mandatory in the Grant Agreement or its annexes. They are merely recommendations.

The procedure starts with the appointment of a Consortium Schedule Manager and ends with the completion of research activities. Here are the six key activities described in the procedure:

- ❖ Appointments (R)
- ❖ Management Tools (R)
- ❖ Create Master Plan (R)
- ❖ Establish Templates (R)
- ❖ Training and Awareness (R)
- ❖ Monthly Routine (R)

Note: (R) = Recommended. Refer to “Part Three – Explanatory Diagrams” for details.

Properly establishing the “*Time Schedule*” procedure and the other management procedures may take up to a month.

2. APPOINTMENTS

The main purpose of this activity is to raise awareness within the Consortium (including the Consortium Steering Committee) about the importance of time schedule management, and to empower the Coordinator and the Work Package Leaders with management leverage over the Beneficiaries. The appointments will also give the Consortium Steering Committee a clearer supervisory role on non-scientific, administrative issues.

Here is some general advice concerning the activity:

<i>Head of Steering Committee</i>	<ul style="list-style-type: none"> • <i>Use a template for the mandates</i> • <i>Make sure the mandates specify the scope of responsibilities, that tools and reporting templates are used, that training is provided and that monthly routines are described</i> • <i>All mandates should be signed by the entire Consortium Steering Committee, the Coordinator and the Work Package Leaders</i> • <i>Insist on participating at the kick-off meeting for the research project in order to emphasise the importance of time schedule management</i>
<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Insert the mandates into a "Mandate booklet" and hand out to each member of the Consortium Steering Committee and each Work Package Leader</i> • <i>Insist that the Consortium Steering Committee participates at the kick-off meeting to ensure that all Beneficiaries understand and accept that the Coordinator and the Work Package Leaders have been entrusted to exercise management power over the research project</i>

The table below gives a brief summary of the activity.

What	<ul style="list-style-type: none"> • The appointment of the Coordinator as Consortium Schedule Manager (CSM) • The appointment of the Work Package Leaders as Work Package Schedule Managers (WPSM)
When	After the date of entry into force of the Grant Agreement (and preferably before the commencement of research activities and distribution of pre-financing to the Beneficiaries)
Who	The Consortium Steering Committee makes the appointments
How	By issuing a signed mandate for the Coordinator and Work Package Leaders (use a mandate template)
Why	<ul style="list-style-type: none"> • To place the overall responsibility for time schedule management on the Coordinator • To place the responsibility of Work Package time schedule management on the Work Package Leaders
Time	—

3. MANAGEMENT TOOLS

Complex research projects (most research projects are fairly complex) cannot be managed effectively without adequate management tools. Some Coordinators resort to spreadsheets for time schedule management, but spreadsheets are designed for calculations, budgeting and financial simulations. Other Coordinators use graphical presentation or word processing programs, but these are equally inadequate. Projects with more than six to nine interdependent tasks and tight deadlines must have access to adequate project management tools.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>There are many commercial desktop tools for project scheduling on the market (e.g. Microsoft Project and Open Workbench). There are excellent open-source desktop tools which can be downloaded for free. Some are better than the best-known commercial tools. Also, check for web-based applications (e.g. ProjectCoordinator and eRoom)</i> • <i>Make sure the project tool has (as a minimum) the capability of creating Gantt charts and that it can: <ul style="list-style-type: none"> ○ <i>Create phases, activities, tasks and milestones</i> ○ <i>Link activities and thus identify a baseline and critical path</i> ○ <i>Allocate human resources and equipment, and financial resources (i.e. budgets)</i> ○ <i>Perform factual updates of percentage progress</i> </i> • <i>Use the PDF writer tool to “freeze” all types of documents which are considered complete and finished</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Insist on approving the choice of tools</i>

The table below gives a brief summary of the activity.

What	<ul style="list-style-type: none"> • <i>The procurement of a suitable computer scheduling tool for planning and following up activities</i> • <i>The procurement of a PDF writer tool to “freeze” Gantt charts and PERT diagrams</i>
When	<i>After the appointment of the Consortium Schedule Manager and Work Package Schedule Managers</i>
Who	<i>The Coordinator</i>
How	<i>Desktop or web-based software (freeware, shareware or commercial products)</i>
Why	<i>To have access to the necessary management tools</i>
Time	—

4. CREATE MASTER PLAN

Annex I (Description of Work) has a separate section dedicated to the timing of work packages and their components. This is usually based on the research project proposal, and contains a graphical presentation (Gantt chart) of the planned timing of the different work packages and their components. In Annex I, this Gantt chart has relative timing, expressed in months, in which month 1 is the month that begins at the start date of the Grant Agreement.

In most cases, the Gantt chart in Annex I is too rudimentary and generally unsuited for time schedule management. A more detailed master plan must be made in order to be able to exercise management control over the research project. The phases must be recreated in the management tool (described in the previous chapter), the various tasks and milestones must be interlinked, a baseline and critical must be identified, and resources/responsibilities must be dedicated to the phases, tasks and milestones. In addition, public holidays and vacations must be plotted into the calendar in the tool.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Make sure the Master Plan includes all dependencies, appropriate start and end dates, responsibilities and resource estimates</i> • <i>Use a numbering system in the Master Plan (e.g. WP2, Task 2.3, Milestone 2.3.2)</i> • <i>In addition to the milestones in Appendix I, make sure enough measurable achievements (e.g. one to three per month) are introduced in order to be able to realistically measure the progress of the research project</i> • <i>Consult the Work Package Leaders concerning the Master Plan</i> • <i>Include monthly management meetings in the Master Plan</i> • <i>Freeze the Master Plan into PDF files and call them Baseline Gantt, Baseline Pert, Baseline Resource etc. (including dates)</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Insist on approving the Work Packages plans in the Master Plan before it is frozen</i> • <i>Consult the Beneficiaries regarding the Tasks in the Work Packages plans</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Insist on approving the Tasks in the Work Packages plans</i> • <i>Ask to see the Master Plan before it is frozen</i>

The table below gives a brief summary of the activity.

What	<i>Enter the Master Plan from Annex I into the scheduling tool</i>
When	<i>After the procurement of the management tools</i>
Who	<i>The Coordinator</i>
How	<i>Use the scheduling tool</i>
Why	<i>To establish dependencies between the tasks and milestones, a critical path and a baseline for the project</i>
Time	—

5. ESTABLISH TEMPLATES

A set of standard time schedule management reports should be developed for the monthly internal reporting of progress of the research project. Although producing these reports is not required by the Grant Agreement, they are highly useful for future reference, and they help to keep management attention on time schedule issues.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Do not exaggerate and keep the reporting simple and understandable, but note that many of the tables required by the Commission for interim and final reporting are highly useful in analysing the progress status of the research project</i> • <i>Make sure the templates refer to the same numbering system as that in the Master Plan</i> • <i>Spreadsheets with several worksheets are suitable for the templates</i> • <i>Make sure the templates include key information about performance (e.g. "Value added table", "Estimated %-completion and productivity table", "Table 1. Deliverables", "Table 2. Milestones", comments)</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Insist on approving the templates</i>

The table below gives a brief summary of the activity.

What	Establish reporting templates for monthly following up of progress
When	After the creation of the Master Plan
Who	The Coordinator
How	Use existing templates or download them from the internet (contact an external expert if necessary)
Why	To establish a common set of reporting variables within the Consortium to be used on a monthly basis
Time	—

6. TRAINING AND AWARENESS

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Make sure the kick-off meeting includes awareness raising and training on all management issues</i>
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The table below gives a brief summary of the activity.

What	<i>Provide training to the Consortium Steering Committee, Work Package Leaders and Beneficiaries</i>
When	<i>After the establishment of templates</i>
Who	<i>The Coordinator (or use an external expert)</i>
How	<i>Provide the training at the kick-off meeting (consider obtaining assistance from an external expert)</i>
Why	<i>To raise awareness about the responsibilities, tools, templates and monthly routines regarding time schedule management</i>
Time	—

7. MONTHLY ROUTINE

Complex research projects need constant management attention, and research and administrative issues must be followed up on a regular basis throughout the research project. In addition to ad hoc meetings and meetings to follow up special issues, it is advised to arrange monthly telephone meetings between the Coordinator and the Work Package Leaders to address management and administrative issues. Time schedule management is clearly among the most important of these issues.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Establish a standard agenda for the telephone meetings (e.g. 1. Management and administrative issues, 2. Research issues, and 3. Other issues) and send a reminder invitation to the Work Package Leaders at least three days before each meeting</i> • <i>Address all management issues in the monthly meetings (i.e. time schedule, revenues and cost, procurement, inventory and document management)</i> • <i>Update the scheduling tool and produce/distribute aggregated status reports in PDF format to the Work Package Leaders 24 hours before each management meeting</i> • <i>Consider preparing a set of pro-forma, standard reporting tables on a monthly basis (in PDF format). Take minutes of each meeting and distribute to everyone in PDF format. Archive aggregated status reports and minutes of meetings</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Collect information and submit monthly reports to the Coordinator for everyone 48 hours before each management meeting</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Read the minutes from the meetings</i>

The table below gives a brief summary of the activity.

What	<i>Monthly management telephone meetings</i>
When	<i>On a monthly basis (e.g. the first Wednesday of the month from 1000–1200 hours)</i>
Who	<i>The Coordinator and the Work Package Leaders</i>
How	<i>Telephone</i>
Why	<i>To follow up the progress of the project</i>
Time	—

I. REVENUE AND COST MANAGEMENT

1. ABOUT THE PROCEDURE

The “*Revenue and Cost*” procedure involves six key activities. Only one of these is contractually mandatory in the Grant Agreement or its annexes.

The procedure starts with the establishment of a bank account and ends with the completion of research activities. Here are the six key activities described in the procedure:

- ❖ Bank Account (C)
- ❖ Appointments (R)
- ❖ Accounting Principles (R)
- ❖ Establish Templates (R)
- ❖ Training and Awareness (R)
- ❖ Monthly Routine (R)

Note: (C) = Contractual, (R) = Recommended. Refer to “Part Three – Explanatory Diagrams” for details.

Properly establishing the “*Revenue and Cost*” procedure and the other management procedures may take up to a month.

2. BANK ACCOUNT

The Coordinator must establish a bank account in connection with the Grant Agreement negotiations and declare all banking details on GPF A4.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>It may be easiest to simply open a new bank account with the existing bank of the Coordinator</i>
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The table below gives a brief summary of the activity.

What	<i>Establish a bank account in EUR</i>
When	<i>Before the entry into force of the Grant Agreement</i>
Who	<i>The Coordinator</i>
How	<i>Contact a bank and go through the usual formalities</i>
Why	<i>To allow the Community financial contribution and related interest to be identified</i>
Time	—

3. APPOINTMENTS

Similar to the appointments for time schedule management, the main purpose of this activity is to raise awareness within the Consortium (including the Consortium Steering Committee) about the importance of revenue and cost management, and to empower the Coordinator and the Work Package Leaders with management leverage over the Beneficiaries. The appointments will also give the Consortium Steering Committee a clearer supervisory role on non-scientific, administrative issues.

Here is some general advice concerning the activity:

<i>Head of Steering Committee</i>	<ul style="list-style-type: none"> • <i>Use a template for the mandates. Make sure the mandates specify the scope of responsibilities, that accounting principles, timesheets and reporting templates are used, that training is provided and that monthly routines are described</i> • <i>All mandates should be signed by the entire Consortium Steering Committee, the Coordinator and the Work Package Leaders</i> • <i>Insist on participating at the kick-off meeting for the research project in order to emphasise the importance of financial management</i>
<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Insert the mandates into a "Mandate booklet" and hand out to each member of the Consortium Steering Committee and each Work Package Leader</i> • <i>Insist that the Consortium Steering Committee participates at the kick-off meeting to make sure all Beneficiaries understand and accept that the Coordinator and the Work Package Leaders have been entrusted to exercise management power over the project</i>

The table below gives a brief summary of the activity.

What	<ul style="list-style-type: none"> • <i>The appointment of the Coordinator as Consortium Financial Manager (CFM)</i> • <i>The appointment of the Work Package Leaders as Work Package Finance Managers (WPFM)</i>
When	<i>After the date of entry into force of the Grant Agreement (and preferably before the commencement of the research activities and distribution of pre-financing to the Beneficiaries)</i>
Who	<i>The Consortium Steering Committee makes the appointments</i>
How	<i>By issuing a signed mandate for the Coordinator and Work Package Leaders (use a mandate template)</i>
Why	<ul style="list-style-type: none"> • <i>To place the overall responsibility for financial management on the Coordinator</i> • <i>To place the responsibility of Work Package finance management on the Work Package Leaders</i>
Time	—

4. ACCOUNTING PRINCIPLES

Revenue and cost information must be assembled and reported objectively. All stakeholders in the research project have the right to be assured that the accounts are unbiased and consistent.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Should each accounting entry be allocated to a given period (e.g. monthly periods), and split accordingly if it covers several periods?</i> • <i>Should revenues be split to the entire time-span and not accounted for entirely on the date of the transaction?</i> • <i>Should an internationally accepted system for the classification of products and services (e.g. selecting relevant codes from UNSPSC for cost items) be established?</i> • <i>Make sure photocopies of all invoices, timesheets and remittances are collected via Work Package Leaders from all Beneficiaries</i> • <i>Note that VAT, duties, interest owed, exchange losses and costs related to return on capital are not refundable</i> • <i>Note that there are special rules concerning direct and indirect costs. This is a source of confusion in many research projects</i> • <i>Note that it may be worthwhile involving an expert in this activity</i> • <i>Update the “consolidated” financial accounts in accordance with the templates on a monthly basis (in PDF format)</i>
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The table below gives a brief summary of the activity.

What	<i>Establish a set of principles for dealing with accounting issues</i>
When	<i>After the appointment of the Consortium Financial Manager and Work Package Finance Managers</i>
Who	<i>The Coordinator in consultation with a qualified expert</i>
How	<i>Create rules on how to deal with revenues and costs (including man hour expenses)</i>
Why	<i>To ensure accountability and promote financial discipline</i>
Time	—

5. ESTABLISH TEMPLATES

Standard revenue and cost management reports should be developed for the monthly internal reporting of progress of the research project. Producing these reports on a monthly basis is not required by the Grant Agreement. However, such reports may be highly useful for future reference, and they help to keep management attention on financial issues.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Do not exaggerate and keep the reporting simple and understandable, but note that many of the tables required by the Commission for interim and final reporting are highly useful in analysing the financial status of the research project</i> • <i>Make sure the templates refer to the same numbering system as that in the Master Plan</i> • <i>Spreadsheets with several worksheets are suitable for the templates</i> • <i>Make sure the templates include key information about performance (e.g. "Budget vs. actual costs table", "Personnel involvement table", "Person Months Status table", "Other costs table", "Costs per Work Package table", "Overview of resource allocation table", "Table 3.1 Personnel, subcontracting and other major cost items", "Form C", comments)</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Insist on approving the templates</i>

The table below gives a brief summary of the activity.

What	<i>Establish reporting templates and timesheet templates for monthly following up of the finances</i>
When	<i>After establishing the accounting principles</i>
Who	<i>The Coordinator</i>
How	<i>Use existing templates or download them from the internet (contact an external expert if necessary)</i>
Why	<i>To establish a common set of reporting variables within the Consortium to be used on a monthly basis</i>
Time	—

6. TRAINING AND AWARENESS

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Make sure the kick-off meeting includes awareness raising and training on all management issues</i>
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The table below gives a brief summary of the activity.

What	<i>Provide training to the Consortium Steering Committee, Work Package Leaders and Beneficiaries</i>
When	<i>After the establishment of templates</i>
Who	<i>The Coordinator (or use an external expert)</i>
How	<i>Provide the training at a kick-off meeting (consider obtaining assistance from an external expert)</i>
Why	<i>To raise awareness about the responsibilities, accounting principles, templates and monthly routines regarding revenue and cost management</i>
Time	—

7. MONTHLY ROUTINE

Research and administrative issues must be followed up on a regular basis throughout the research project. In addition to ad hoc meetings and meetings to follow up special issues, it is advised to arrange monthly telephone meetings between the Coordinator and the Work Package Leaders to address management and administrative issues. Revenue and cost management are clearly among the most important of these issues.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Establish a standard agenda for the telephone meetings (e.g. 1. Management and administrative issues, 2. Research issues, and 3. Other issues) and send a reminder invitation to the Work Package Leaders at least three days before each meeting</i> • <i>Address all management issues in the monthly meetings (i.e. time schedule, revenues and cost, procurement, inventory and document management)</i> • <i>Update the financial accounts and produce/distribute “consolidated” status reports on a monthly basis (in PDF format)</i> • <i>Update the financial accounts and produce/distribute “consolidated” status reports in PDF format to the Work Package Leaders 24 hours before each management meeting</i> • <i>Take minutes of each meeting and distribute to everyone in PDF format</i> • <i>Archive “consolidated” status reports and minutes of meetings</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Collect information and submit monthly reports to the Coordinator for everyone 48 hours before each management meeting</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Read the minutes from the meetings</i>

The table below gives a brief summary of the activity.

What	<i>Monthly management telephone meetings</i>
When	<i>On a monthly basis (e.g. the first Wednesday of the month from 1000–1200 hours)</i>
Who	<i>The Coordinator and the Work Package Leaders</i>
How	<i>Telephone</i>
Why	<i>To follow up the project</i>
Time	—

J. PROCUREMENT MANAGEMENT

1. ABOUT THE PROCEDURE

The “*Procurement Management*” procedure involves nine key activities. None of these are contractually mandatory in the Grant Agreement or its annexes.

Note that this procedure applies to research projects where all procurements are centralised (i.e. all procurements are initiated by the Work Package Leaders and all procurement decisions are made by the Coordinator). This approach may not be suitable for all types of research projects. However, the “*Procurement Management*” procedure is better for inventory management and financial control and is probably more cost efficient than decentralised procedures.

The procedure starts with the appointment of the Procurement Manager and ends with the arrival of goods. Here are the nine key activities described in the procedure:

- ❖ Procurement Plan (R)
- ❖ Appointments (R)
- ❖ Establish Templates (R)
- ❖ Procurement Requisition (R)
- ❖ Procurement Order (R)
- ❖ Request for Quote (R)
- ❖ Quotations (R)
- ❖ Choice of Vendor (R)
- ❖ Shipping and Arrival of Goods (R)

Note: (R) = Recommended. Refer to “Part Three – Explanatory Diagrams” for details.

Properly establishing the “*Procurement Management*” procedure and the other management procedures may take up to a month.

2. PROCUREMENT PLAN

The procurement plan identifies the research project needs that can be best met by procuring goods and services from outside the Consortium. It describes whether to procure, how to procure, the consideration of potential vendors, how much to procure and when to procure, and management procedures including the awarding decision process.

Here is some general advice concerning the activity:

<i>Head of Steering Committee</i>	<ul style="list-style-type: none"> • <i>It may be a good idea to include the following types of items into the procurement procedure:</i> <ul style="list-style-type: none"> ○ <i>The procurement of durable equipment</i> ○ <i>Financial leasing with the option to buy durable equipment</i> ○ <i>Identifiable consumables and supplies assigned to the research project</i> ○ <i>Subcontracting</i> ○ <i>Certificate on the methodology and certificates on the financial audits</i> • <i>Set a lower threshold for items to be included in the procedure (e.g. €500 or €2,000)</i> • <i>Exclude the following types of cost items from the procurement procedure:</i> <ul style="list-style-type: none"> ○ <i>Travel and subsistence costs for staff taking part in the research project, and cost of personnel assigned to the research project</i> ○ <i>Items which cannot be identified as directly attributable to the research project (i.e. indirect costs)</i>
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The table below gives a brief summary of the activity.

What	<i>To prepare a procurement plan</i>
When	<i>After the date of entry into force of the Grant Agreement (and preferably before the commencement of research activities and distribution of pre-financing to the Beneficiaries)</i>
Who	<i>The Consortium Steering Committee makes the plan in collaboration with the Coordinator and the Work Package Leaders</i>
How	<i>Refer to the scope definition above and the general advice listed below</i>
Why	<i>To provide a clear framework for procurements</i>
Time	—

3. APPOINTMENTS

As with the time schedule, revenue and cost management, the main purpose of this activity is to raise awareness within the Consortium (including the Consortium Steering Committee) about the importance of procurement management, and to empower the Coordinator and the Work Package Leaders with management leverage over the Beneficiaries. The appointments will also give the Consortium Steering Committee a clearer supervisory role on non-scientific, administrative issues.

Here is some general advice concerning the activity:

<i>Head of Steering Committee</i>	<ul style="list-style-type: none"> • <i>Use a template for the mandates</i> • <i>Make sure the mandates specify the scope of responsibilities and the procurement management principles</i> • <i>All mandates should be signed by the entire Consortium Steering Committee, the Coordinator and the Work Package Leaders</i> • <i>Insist on participating at the kick-off meeting for the project in order to emphasise the importance of procurement management</i>
<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Insert the mandates into a "Mandate booklet" and hand out to each member of the Consortium Steering Committee and each Work Package Leader</i> • <i>Insist that the Consortium Steering Committee participates at the kick-off meeting to make sure all Beneficiaries understand and accept that the Coordinator and the Work Package Leaders have been entrusted to exercise management power over the research project</i>

The table below gives a brief summary of the activity.

What	<ul style="list-style-type: none"> • <i>The appointment of the Coordinator as Consortium Procurement Manager (CPM)</i> • <i>The appointment of the Work Package Leaders as Work Package Requisitioners (WPR)</i>
When	<i>After the scope definition</i>
Who	<i>The Consortium Steering Committee makes the appointments</i>
How	<i>By issuing a signed mandate for the Coordinator and Work Package Leaders (use a mandate template)</i>
Why	<ul style="list-style-type: none"> • <i>To place the overall responsibility for procurement management on the Coordinator</i> • <i>To place the responsibility of initiating procurements on the Work Package Leaders</i>
Time	—

4. ESTABLISH TEMPLATES

The templates should have relevant fields for procurement decisions (e.g. work package/beneficiary/task, date of issue/need by date, description/multiples/size, vendors, manufacturers, model numbers, costs, signatures and documentation).

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>The following templates may be necessary</i> <ul style="list-style-type: none"> ○ <i>Procurement Requisition template (PR)</i> ○ <i>Procurement Order template (PO)</i> ○ <i>Request for Quote template (RFQ)</i> • <i>Note that the PR, PO and RFQ can be based on similar templates</i> • <i>Make sure the templates are saved in the research project archive</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Insist on approving the templates</i>

The table below gives a brief summary of the activity.

What	<i>Establish all procurement templates</i>
When	<i>After the appointment of the Consortium Procurement Manager and Work Package Requisitioners</i>
Who	<i>The Coordinator</i>
How	<i>Use existing templates or download them from the internet (contact an external expert if necessary)</i>
Why	<i>To ensure traceability and accountability for procurements</i>
Time	—

5. PROCUREMENT REQUISITION

A Procurement Requisition (PR) is issued by a Work Package Leader (i.e. a Requisitioner) whenever there is a need to procure something for a particular task. Therefore, the procurement is initiated close to the practical needs rather than as a top-down initiative. The purpose of the PR is to notify the Coordinator (i.e. the Consortium Procurement Manager) and to get his approval for the procurement.

Here is some general advice concerning the activity:

<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Provide all necessary information to select a set of appropriate vendors and to negotiate pricing (e.g. work package/beneficiary/task, date of issue/need by date, description/multiples/size, vendors, manufacturers, model numbers, costs, signatures and documentation)</i> • <i>Notify the Coordinator (i.e. the Consortium Procurement Manager) if the procurement concerns items subject to special safety or other regulatory requirements (e.g. hazardous materials, safety critical equipment, radioactive materials, vertebrate animals, controlled substances, non-taxable ethyl alcohol etc.)</i> • <i>Make sure the Procurement Requisition (PR) is saved in the research project archive</i>
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The table below gives a brief summary of the activity.

What	<i>The issue of a Procurement Requisition (PR)</i>
When	<i>Initiated by a Beneficiary whenever there is a need to procure something (that is within the scope definition)</i>
Who	<i>One of the Work Package Requisitioners (i.e. one of the Work Package Leaders)</i>
How	<i>Fill in the Procurement Requisition template and send it to the Consortium Procurement Manager (i.e. the Coordinator)</i>
Why	<i>To notify the Consortium Procurement Manager that there is a need to buy something</i>
Time	—

6. PROCUREMENT ORDER

The Procurement Order (PO) is issued by the Coordinator (i.e. the Consortium Procurement Manager) if he approves the Procurement Requisition (PR). Subsequent to his approval he returns the PR/PO to the Work Package Leader (i.e. the Requisitioner) so that he can issue a Request for Quote (RFQ).

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Make a validity check (e.g. check if the items are assigned to the research project and that the required quantities are appropriate)</i> • <i>To get a best price, instruct the Requisitioner (i.e. the Work Package Leader) to send the Request for Quote (RFQ) to several vendors</i> • <i>Provide special instructions if required (e.g. if the procurement concerns items subject to special safety or other regulatory requirements)</i> • <i>Make sure the Procurement Order (PO) is saved in the research project archive</i>
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The table below gives a brief summary of the activity.

What	<i>The issue of a Procurement Order (PO)</i>
When	<i>Whenever a valid Procurement Request (PR) has been issued</i>
Who	<i>The Consortium Procurement Manager (i.e. the Coordinator)</i>
How	<i>The Procurement Request must be validated. Then create the Procurement Order and send it to the Requisitioner</i>
Why	<i>To formally approve the Procurement Request and give the go-ahead for contacting a set of appropriate vendors</i>
Time	—

7. REQUEST FOR QUOTE

The Request for Quote (RFQ) is issued by the Work Package Leader (i.e. the Requisitioner) when he receives the PO from the Coordinator (i.e. the Consortium Procurement Manager). In order to get “a best price”, it is advisable to send the RFQ to several vendors.

Here is some general advice concerning the activity:

Work Package Leaders

- *Make sure the items are properly specified and that the required quantity is indicated*
 - *Inform the vendors of the required delivery date and address*
 - *Instruct the vendors to submit their quotations within a specified deadline*
 - *Inform the vendors about the awarding decision process and dates*
 - *Make sure the Request for Quote (RFQ) is saved in the research project archive*
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The table below gives a brief summary of the activity.

What	<i>The issue of a Request for Quote (RFQ)</i>
When	<i>Whenever a Procurement Order (PO) has been issued</i>
Who	<i>The Requisitioner (i.e. the Work Package Leader)</i>
How	<i>Send the Request for Quote to several vendors in order to get a best price</i>
Why	<i>To invite vendors to submit their quotations</i>
Time	—

8. QUOTATIONS

Quotations are likely to arrive by email, fax and post. Undocumented offers over the telephone should not be considered except under special circumstances. The quotations will be received by the Requisitioner (i.e. the Work Package Leader). It is advisable to stay in the office on the deadline date for submitting the quotations.

Here is some general advice concerning the activity:

<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Check that the quotations conform to the Procurement Requisition, the Procurement Order and the Request for Quotation</i> • <i>Insert the terms and prices into a comparative matrix</i> • <i>Make a recommendation to the Consortium Procurement Manager on the choice of vendor</i> • <i>Make sure the quotations are saved in the research project archive</i>
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The table below gives a brief summary of the activity.

What	<i>The receipt of quotations from the vendors</i>
When	<i>After the issue of a Request for Quote (RFQ)</i>
Who	<i>The Requisitioner (i.e. the Work Package Leader)</i>
How	<i>Collect the quotations and compare terms and prices</i>
Why	<i>To select the best vendor</i>
Time	—

9. CHOICE OF VENDOR

Refer to the Request for Quotation and the Procurement Plan for awarding decision criteria and how to make the choice of vendor. The choice of vendor should be made by the Consortium Procurement Manager (i.e. the Coordinator) and the Requisitioner (i.e. the Work Package Leader) together. Notify the vendors as soon as the decision has been made and place the order with the chosen one without delay.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Check that the quotations conform to the Procurement Requisition, the Procurement Order and the Request for Quotation</i> • <i>Check that the recommended vendor conforms to the awarding criteria</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Contact the vendor once the choice of vendor has been made and confirm the order</i> • <i>Confirm the invoicing and shipping address</i> • <i>Confirm the date of delivery</i>

The table below gives a brief summary of the activity.

What	<i>To decide on the vendor and place the order</i>
When	<i>After receiving quotations from vendors</i>
Who	<i>The Consortium Procurement Manager (i.e. the Coordinator), the Requisitioner (i.e. the Work Package Leader) and the Beneficiary</i>
How	<i>Select the preferred vendor according to the awarding decision process</i>
Why	<i>To procure the required items</i>
Time	<i>1 day</i>

10. SHIPPING AND ARRIVAL OF GOODS

In many cases, the shipping address is different from that of the Requisitioner (i.e. the Work Package Leader). If the shipment goes directly to a Beneficiary, it is important to provide instructions on how to deal with the goods' arrival (e.g. the actual shipping must be compared to the shipping description and the RFQ, and the invoice must be compared to the quotation).

Here is some general advice concerning the activity:

<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Make sure arrangements are made for the payment</i> • <i>Make sure the shipping description and the invoice in the research project archive are checked and saved</i> • <i>Make sure the inventory list is updated</i>
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The table below gives a brief summary of the activity.

What	<i>Receiving the shipment of items</i>
When	<i>After placing the order with the vendor</i>
Who	<i>The Requisitioner (i.e. the Work Package Leader) or the appropriate Beneficiary</i>
How	<i>Physical check of items and comparison with the shipping description (list of packed items) as well as with the quotation. Also check the invoice against the quotation</i>
Why	<i>To check that the shipment is in good order and is correct, and to update the inventory list</i>
Time	—

K. INVENTORY MANAGEMENT

1. ABOUT THE PROCEDURE

The “*Inventory Management*” procedure involves five key activities. None of these are contractually mandatory in the Grant Agreement or its annexes.

The procedure starts with the appointment of the Procurement Manager and ends with the arrival of goods. Here are the five key activities described in the procedure:

- ❖ Appointments (R)
- ❖ Inventory Locations (R)
- ❖ Distribution of Initial Inventories and Stock Counting (R)
- ❖ Monthly Routine (R)
- ❖ Allocation of Ownership (R)

Note: (R) = Recommended. Refer to “Part Three – Explanatory Diagrams” for details.

Properly establishing the “*Inventory Management*” procedure and the other management procedures may take up to a month.

2. APPOINTMENTS

The main purpose of this activity is to raise awareness within the Consortium (including the Consortium Steering Committee) about the importance of inventory management, and to empower the Coordinator and the Work Package Leaders with management leverage over the Beneficiaries. The appointments will also give the Consortium Steering Committee a clearer supervisory role on non-scientific, administrative issues.

Here is some general advice concerning the activity:

<i>Head of Steering Committee</i>	<ul style="list-style-type: none"> • <i>Use a template for the mandates</i> • <i>Make sure the mandates specify the scope of responsibilities and the inventory management principles</i> • <i>All mandates should be signed by the entire Consortium Steering Committee, the Coordinator and the Work Package Leaders</i> • <i>Insist on participating at the kick-off meeting for the research project in order to emphasise the importance of inventory management</i>
<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Insert the mandates into a "Mandate booklet" and hand out to each member of the Consortium Steering Committee and each Work Package Leader</i> • <i>Insist that the Consortium Steering Committee participates at the kick-off meeting to make sure all Beneficiaries understand and accept that the Coordinator has been entrusted to exercise management power over the research project</i>

The table below gives a brief summary of the activity.

What	<i>The appointment of the Coordinator as Consortium Inventory Manager (CIM)</i>
When	<i>After the date of entry into force of the Grant Agreement (and preferably before the commencement of research activities and distribution of pre-financing to the Beneficiaries)</i>
Who	<i>The Consortium Steering Committee makes the appointment</i>
How	<i>By issuing a signed mandate for the Coordinator (use a mandate template)</i>
Why	<i>To place the overall responsibility for inventory management on the Coordinator</i>
Time	—

3. INVENTORY LOCATIONS

Many research projects need to procure inventories during the lifetime of the project. They could be durable equipment (e.g. computers with specialist applications, laboratory equipment) or consumables and supplies assigned to the research project (e.g. chemical substances, printed publications for dissemination). Such inventories may be valuable and they need to be managed properly, their whereabouts and logistical moves must be traceable and losses must be avoided. For this reason, the research project must agree on inventory locations.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>It is advisable to use a spreadsheet with one worksheet per inventory location</i> • <i>Each worksheet should include information about each location:</i> <ul style="list-style-type: none"> ○ <i>Location name</i> ○ <i>Address</i> ○ <i>Telephone number and email address</i>
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The table below gives a brief summary of the activity.

What	<i>Determining where to store project inventories</i>
When	<i>After the appointment of the Coordinator as Consortium Inventory Manager</i>
Who	<i>The Inventory Manager (i.e. the Coordinator) in consultation with the Work Package Leaders</i>
How	<i>By making a list of inventory locations</i>
Why	<i>To establish authorised locations for storing project inventories</i>
Time	—

4. DISTRIBUTION OF INITIAL INVENTORIES AND STOCK COUNTING

It is unlikely that the research project will have significant inventories of its own before the research activities have begun. However, some research projects cannot start without certain equipment or raw materials. In such cases, the project inventories must be distributed and counted upon arrival at the inventory locations.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>It is advisable to use the same spreadsheet as that used for determining inventory locations</i> • <i>Each worksheet should include the following columns and be updated with the names and numbers of initial inventories:</i> <ul style="list-style-type: none"> ○ <i>Item name</i> ○ <i>Multiples (how many)</i> ○ <i>Vendor</i> ○ <i>Manufacturer</i> ○ <i>Model number</i> ○ <i>Serial number (if any)</i> ○ <i>Date of procurement</i> ○ <i>Cost of procurement</i> ○ <i>Additional documentation (Y/N)</i>
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The table below gives a brief summary of the activity.

What	<i>To distribute the initial inventories to the inventory locations</i>
When	<i>After determining where to store project inventories</i>
Who	<i>The Inventory Manager (i.e. the Coordinator) in consultation with the Work Package Leaders</i>
How	<i>By shipment (if necessary)</i>
Why	<i>To fill up authorised locations with initial project inventories</i>
Time	—

5. MONTHLY ROUTINE

Complex research projects need constant management attention, and research and administrative issues must be followed up on a regular basis throughout the project. In addition to ad hoc meetings and meetings to follow up special issues, it is advised to arrange monthly telephone meetings between the Coordinator and the Work Package Leaders to address management and administrative issues. Inventory management is clearly among the most important of these issues.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Establish a standard agenda for the telephone meetings (e.g. 1. Management and administrative issues, 2. Research issues, and 3. Other issues) and send a reminder invitation to the Work Package Leaders at least three days before each meeting</i> • <i>Address all management issues in the monthly meetings (i.e. time schedule, revenues and cost, procurement, inventory, document management)</i> • <i>Update the inventory lists on a monthly basis (in PDF format)</i> • <i>Take minutes of each meeting and distribute to everyone in PDF format</i> • <i>Archive inventory lists and minutes of meetings</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Read the minutes from the meetings</i>

The table below gives a brief summary of the activity.

What	<i>Monthly management telephone meetings</i>
When	<i>On a monthly basis (e.g. the first Wednesday of the month from 1000–1200 hours)</i>
Who	<i>The Coordinator and the Work Package Leaders</i>
How	<i>Telephone</i>
Why	<i>To follow up the procurement and inventories of the project</i>
Time	—

6. ALLOCATION OF OWNERSHIP

At the end of the research project, the Beneficiaries may decide to share out the remaining inventories between them. This is because the Consortium usually owns all the items which have been procured at the expense of the research project. The Beneficiaries must agree on a model for dividing the remaining inventories. Several models are possible. One is to distribute the inventories equally, in which case the best approach may be to sell the items first and subsequently share out the proceeds from the sale. Another model is to distribute the inventories to each Beneficiary proportionally according to their research effort (e.g. man months). In this case as well, the best approach may be to sell the items first. Yet another approach may be to share out the inventories according to their physical location or to who may benefit most from ownership.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Be pragmatic and propose a model for distributing the items, then ask for everyone to comment before the final distribution takes place</i>
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The table below gives a brief summary of the activity.

What	<i>Distribute ownership of remaining inventories</i>
When	<i>After the end of the research activities</i>
Who	<i>The Inventory Manager (i.e. the Coordinator) in consultation with the Work Package Leaders</i>
How	<i>Use the inventory list to allocate ownership</i>
Why	<i>To share out fairly items that belong to the project</i>
Time	—

L. DOCUMENT MANAGEMENT

1. ABOUT THE PROCEDURE

The “*Document Management*” procedure involves nine key activities. Only one of these is contractually mandatory in the Grant Agreement or its annexes. The others are recommendations only.

The procedure starts with the appointment of the Consortium Document Manager and ends with the completion and safe storage of all the documents. Here are the nine key activities described in the procedure:

- ❖ Appointments (R)
- ❖ Structure and Nomenclature (R)
- ❖ Document Plan (R)
- ❖ Establish Templates (R)
- ❖ Document Management System (R)
- ❖ Uploading of Initial Documents (R)
- ❖ Training and Awareness (R)
- ❖ Monthly Routine (R)
- ❖ Safe Storage (C)

Note: (C) = Contractual, (R) = Recommended. Refer to “Part Three — Explanatory Diagrams” for details.

Properly establishing the “*Document Management*” procedure and the other management procedures may take up to a month.

2. APPOINTMENTS

This activity aims to raise awareness within the Consortium (including the Consortium Steering Committee) about the importance of document management, and to empower the Coordinator and the Work Package Leaders with management leverage over the Beneficiaries. The appointments will also give the Consortium Steering Committee a clearer supervisory role on non-scientific, administrative issues.

Here is some general advice concerning the activity:

<i>Head of Steering Committee</i>	<ul style="list-style-type: none"> • <i>Use a template for the mandates</i> • <i>Make sure the mandates specify the scope of responsibilities and the document management principles</i> • <i>All mandates should be signed by the entire Consortium Steering Committee, the Coordinator and the Work Package Leaders</i> • <i>Insist on participating at the kick-off meeting for the research project in order to emphasise the importance of document management</i>
<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Insert the mandates into a "Mandate booklet" and hand out to each member of the Consortium Steering Committee and each Work Package Leader</i> • <i>Insist that the Consortium Steering Committee participates at the kick-off meeting to ensure that all Beneficiaries understand and accept that the Coordinator and the Work Package Leaders have been entrusted to exercise management power over the research project</i>

The table below gives a brief summary of the activity.

What	<ul style="list-style-type: none"> • <i>The appointment of the Coordinator as Consortium Document Manager (CDM)</i> • <i>The appointment of the Work Package Leaders as Document Controllers (DC)</i>
When	<i>After the date of entry into force of the Grant Agreement (and preferably before the commencement of research activities and distribution of pre-financing to the Beneficiaries)</i>
Who	<i>The Consortium Steering Committee makes the appointments</i>
How	<i>By issuing a signed mandate for the Coordinator and Work Package Leaders (use a mandate template)</i>
Why	<ul style="list-style-type: none"> • <i>To place the overall responsibility for document management on the Coordinator</i> • <i>To place the responsibility of document control on the Work Package Leaders</i>
Time	—

3. STRUCTURE AND NOMENCLATURE

Many research projects run out of control due to poor document management. Usually this happens because the project archive lacks structure, because individuals (researchers and administrative staff) have received inadequate training in document management, because of confusion regarding nomenclature (i.e. file and document names) or because of poor version handling. For these reasons, it is important to establish a common document archiving structure, a common document nomenclature and a version handling philosophy — and to provide adequate training before the research activities commence.

Here is some general advice concerning the activity:

Coordinator

- *The following folder structure may be appropriate:*
 - *Document system and templates*
 - *Grant Agreement documents*
 - *Consortium Agreement*
 - *IPR Agreements*
 - *Other Agreements*
 - *Correspondence with the EC*
 - *Other formal letters*
 - *Procedures and QA system*
 - *Reports to the EC*
 - *Procurement documents, inventory list*
 - *Finance, remittances, invoices*
 - *Timesheets*
 - *Updated project plan (time)*
 - *Events, presentations, media files*
 - *Names and addresses*
 - *WP 1 (working documents)*
 - *WP 2 (working documents)*
 - *The following system for file names may be appropriate:*
 - *<contract no>-<acronym><folder>-<initials>-<personal 4 digit serial number>-<short description>.pdf*
 - *The following principles for version handling may be appropriate:*
 - *Version 0.1: First version*
 - *Version 0.5: 50% complete*
 - *Version 1.0: Finished and approved*
-

The table below gives a brief summary of the activity.

What	<i>To agree on a common document archiving structure, a common document nomenclature and a version handling philosophy</i>
When	<i>After the appointment of the Consortium Document Manager and the Document Controllers</i>
Who	<i>The Coordinator</i>
How	<i>By issuing a master folder structure for the document archive, a system for naming documents, and rules on how to allocate version numbers to documents</i>
Why	<i>To avoid confusion regarding documents</i>
Time	—

4. DOCUMENT PLAN

All research projects will benefit from having a clear document plan while the project is in the planning phase. In principle, a document plan is a structured list of all documents due to be produced during the research project. It should include all research documents and all administrative documents. The documents listed in the plan should provide information about file names, persons responsible, place in the document archiving structure and so forth.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>It may be a good idea to distinguish between documents required by the Grant Agreement and documents necessary to complete the research project:</i> <ul style="list-style-type: none"> ○ <i>Required by the Grant Agreement, e.g.</i> <ul style="list-style-type: none"> ▪ <i>Interim and final reports (create a specific list of documents, the folders that they should be stored in, and their file names according to the agreed nomenclature)</i> ▪ <i>Documents related to deliverables, or documents that are deliverables (create a specific list)</i> ○ <i>Required to complete the research project, e.g.</i> <ul style="list-style-type: none"> ▪ <i>Research documents (create a specific list)</i> ▪ <i>Administrative documents (create a specific list)</i> • <i>Some documents may not be predicted at an early stage of the research project. Be prepared to update the document plan</i>
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The table below gives a brief summary of the activity.

What	<i>To agree on all the documents to be produced during the project</i>
When	<i>After the establishment of the folder structure, nomenclature and version handling</i>
Who	<i>The Coordinator in collaboration with the Work Package Leaders</i>
How	<i>By creating a list of documents</i>
Why	<i>To create a clear plan on document production</i>
Time	—

5. ESTABLISH TEMPLATES

It is a good idea to establish an overview of all the templates required by the research project. These templates should be downloadable from a specific folder in the document management system and available to everyone working in the project.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>The following templates may be necessary</i> <ul style="list-style-type: none"> ○ <i>Amendment letter</i> ○ <i>Inventory list</i> ○ <i>Exit report to the Commission</i> ○ <i>Final report to the Commission</i> ○ <i>Interim report to the Commission</i> ○ <i>Mandate</i> ○ <i>Minutes from meetings</i> ○ <i>Powerpoint presentations</i> ○ <i>Procurement Order</i> ○ <i>Procurement Requisition</i> ○ <i>Request for Quotation</i> ○ <i>Research report</i> ○ <i>Suspension introduction and lifting</i> ○ <i>Table for cost and revenue</i> ○ <i>Time schedule reporting</i> ○ <i>Timesheet</i> • <i>Make sure the templates are saved in the project archive</i>
<i>Work Package Leaders</i>	<ul style="list-style-type: none"> • <i>Insist on approving the templates</i>

The table below gives a brief summary of the activity.

What	<i>Establish templates for all types of documents</i>
When	<i>After creating the document plan</i>
Who	<i>The Coordinator</i>
How	<i>Use existing templates or download them from the internet (contact an external expert if necessary)</i>
Why	<i>To establish a common template platform for the project</i>
Time	—

6. DOCUMENT MANAGEMENT SYSTEM

Many research projects fail to understand the importance of a good document management system. A good system provides easy access to all documents for everyone in the project. It facilitates efficient collaboration across organisational boundaries, and a good document system enables everyone to work on documents — at any time and from anywhere.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Buy or rent access to a web-based system. There are many commercial applications on the market (e.g. SharePoint, ProjectCoordinator)</i> • <i>Do not underestimate the importance of training. Although many systems on the market are technically easy to use, it is important to instil a set of rules on the use of the system (e.g. use the document management system actively and do not send documents to each other as email attachments, make sure everyone understands the folder structure and that they use the agreed document nomenclature and version numbering rules)</i>
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The table below gives a brief summary of the activity.

What	<i>To establish a system for easy access to all project documents</i>
When	<i>After agreeing on the project templates</i>
Who	<i>The Coordinator</i>
How	<i>Use a web-based, password-protected document archiving system</i>
Why	<i>To provide easy access to the project documents</i>
Time	—

7. UPLOADING OF INITIAL DOCUMENTS

Even at the beginning of a project there may be a long list of documents that should be uploaded. Firstly, consider uploading the document plan and all the templates. Then consider uploading the Grant Agreement, the Consortium Agreement, all the mandates and any special IPR arrangements. In addition, there may be important letters of communication with the Commission and other formal letters that should be uploaded. And finally, a description of management procedures for the project as well as lists of names and addresses should be uploaded.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Make sure all documents are put in the correct folders and that the nomenclature and version numbers are correct</i>
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The table below gives a brief summary of the activity.

What	<i>To upload all initial documents to the document management system</i>
When	<i>After agreeing on the project templates</i>
Who	<i>The Coordinator</i>
How	<i>Usually by drag and drop (depends on the system)</i>
Why	<i>To establish the archive with contents</i>
Time	—

8. TRAINING AND AWARENESS

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Make sure the kick-off meeting includes awareness raising and training on all management issues</i>
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The table below gives a brief summary of the activity.

What	<i>Provide training to the Consortium Steering Committee, Work Package Leaders and Beneficiaries</i>
When	<i>After uploading all the initial documents</i>
Who	<i>The Coordinator</i>
How	<i>Provide the training at the kick-off meeting (consider obtaining assistance from an external expert)</i>
Why	<i>To raise awareness about the document management system, folder structure, nomenclature and version numbering system</i>
Time	—

9. MONTHLY ROUTINE

Complex research projects need constant management attention, and research and administrative issues must be followed up on a regular basis throughout the research project. In addition to ad hoc meetings and meetings to follow up special issues, it is advised to arrange monthly telephone meetings between the Coordinator and the Work Package Leaders to address management and administrative issues. Document management is clearly among the most important of these issues.

Here is some general advice concerning the activity:

<i>Coordinator</i>	<ul style="list-style-type: none"> • <i>Establish a standard agenda for the telephone meetings (e.g. 1. Management and administrative issues, 2. Research issues, and 3. Other issues) and send a reminder invitation to the Work Package Leaders at least three days before each meeting</i> • <i>Address all management issues in the monthly meetings (i.e. time schedule, revenues and cost, procurement, inventory, and document management)</i> • <i>Pay attention to the document management system, archive structure etc.</i> • <i>Take minutes of each meeting and distribute to everyone in PDF format</i> • <i>Archive inventories lists and minutes of meetings</i>
<i>Beneficiaries</i>	<ul style="list-style-type: none"> • <i>Read the minutes from the meetings</i>

The table below gives a brief summary of the activity.

What	<i>Monthly management telephone meetings</i>
When	<i>On a monthly basis (e.g. the first Wednesday of the month from 1000 to 1200 hours)</i>
Who	<i>The Coordinator and the Work Package Leaders</i>
How	<i>Telephone</i>
Why	<i>To follow up the project</i>
Time	—

10. SAFE STORAGE

Here is some general advice concerning the activity:

Coordinator

- *After the end of the research project, the Coordinator should consider closing access to the document management system for everyone in the research project or removing all confidential information from the system*
 - *Confidential files may be stored on a CD in a safe place and print-outs should be stored safely at another location*
-

The table below gives a brief summary of the activity.

What	<i>Document storage</i>
When	<i>During the project and for a period of up to five years after its completion</i>
Who	<i>The Coordinator</i>
How	<i>Electronic storage and physical print-outs</i>
Why	<i>To preserve the confidentiality of any data, documents or other material</i>
Time	—

M. PREPARATIONS FOR REPORTING

The importance of preparing for reporting cannot be exaggerated. It involves a wide range of people, and some of them may not feel inclined or particularly motivated to report.

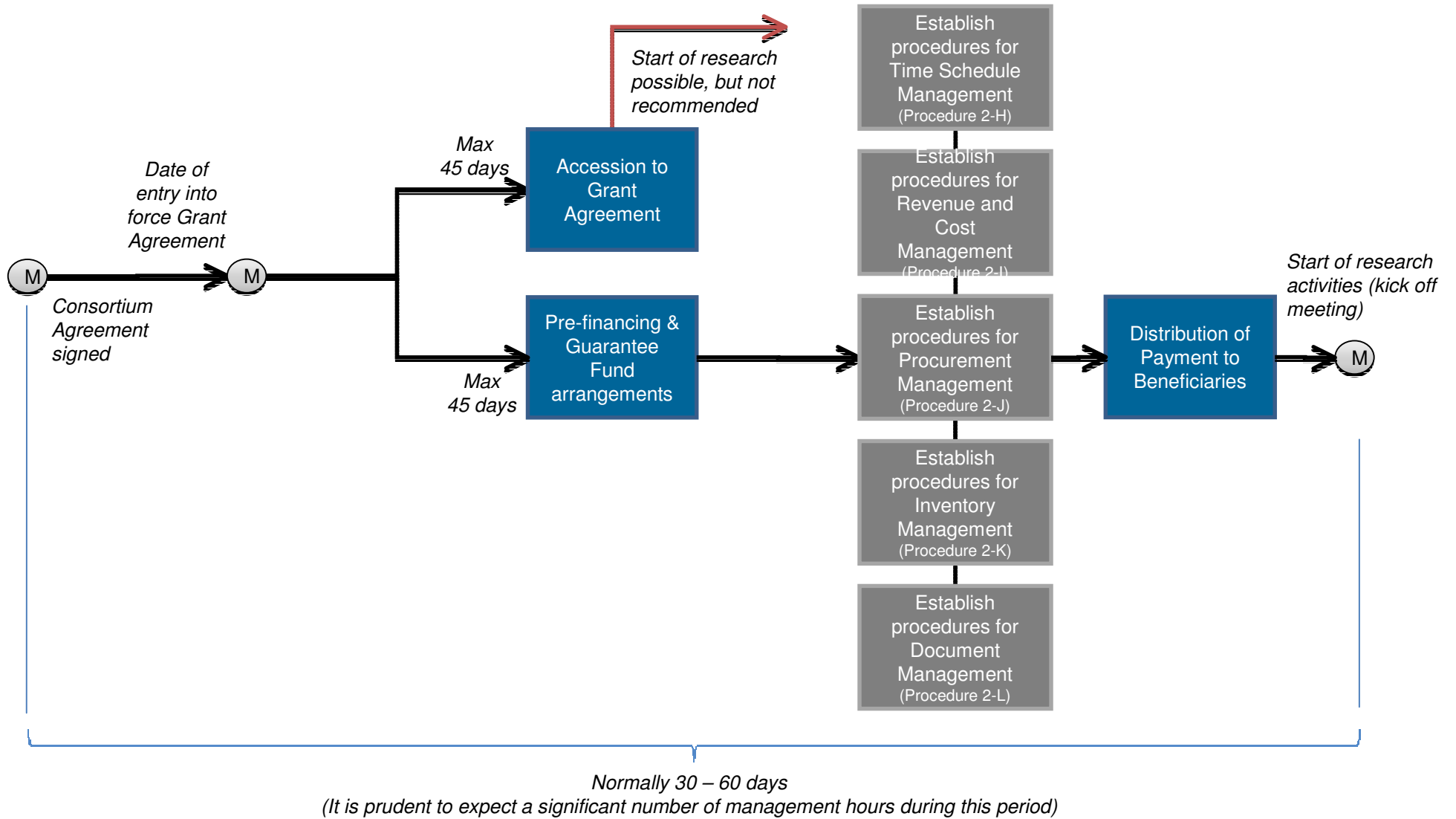
Refer to “Part Three — Explanatory Diagrams” for details.

N. PRODUCING THE REPORTS

Most projects experience problems when it comes to producing the reports. Some Coordinators underestimate the complexity of reporting, and fail to push the Beneficiaries hard enough to deliver the required tables and texts for the reports.

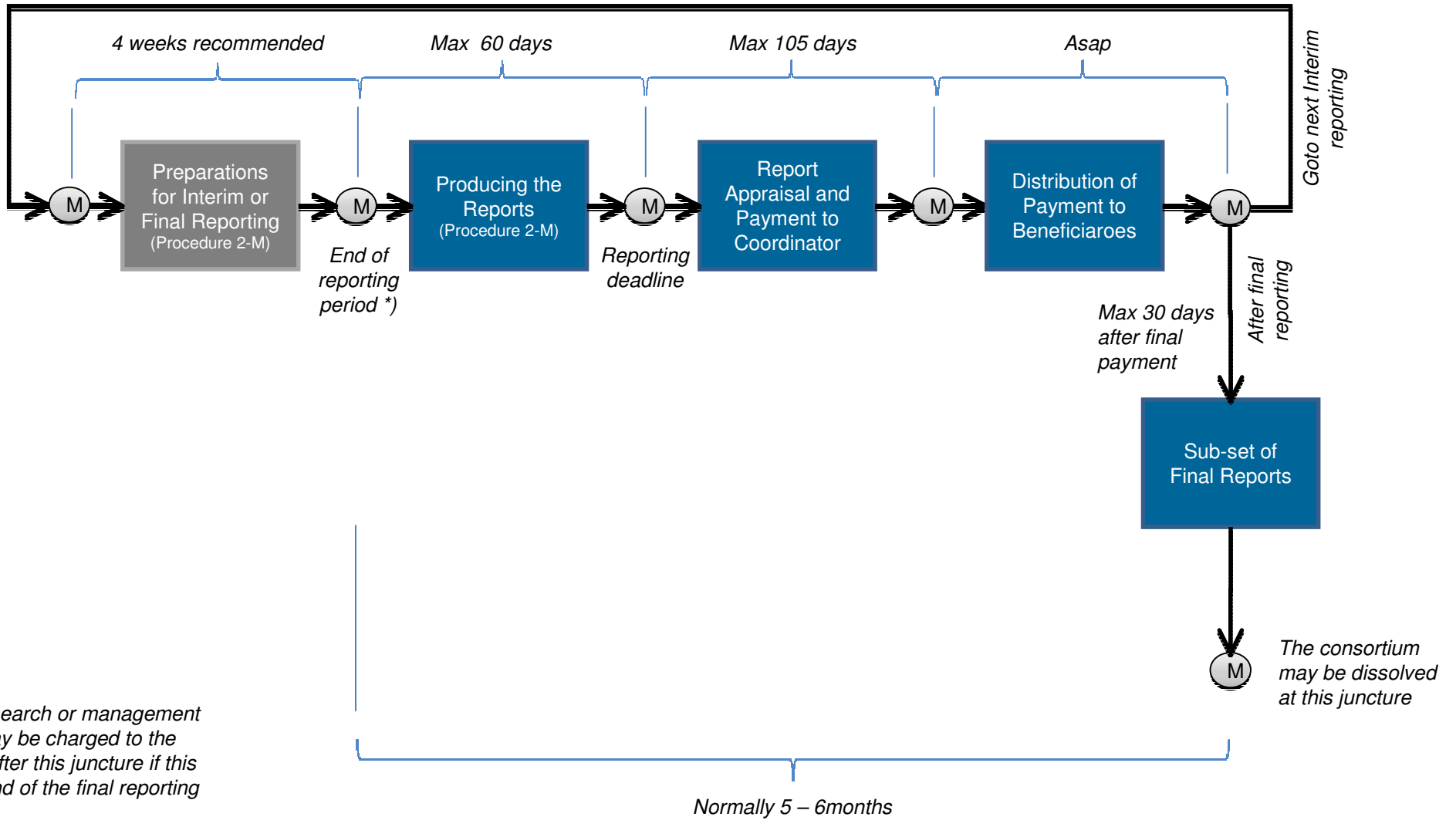
Refer to “Part Three — Explanatory Diagrams” for details.

3. PART THREE — EXPLANATORY DIAGRAMS



- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path

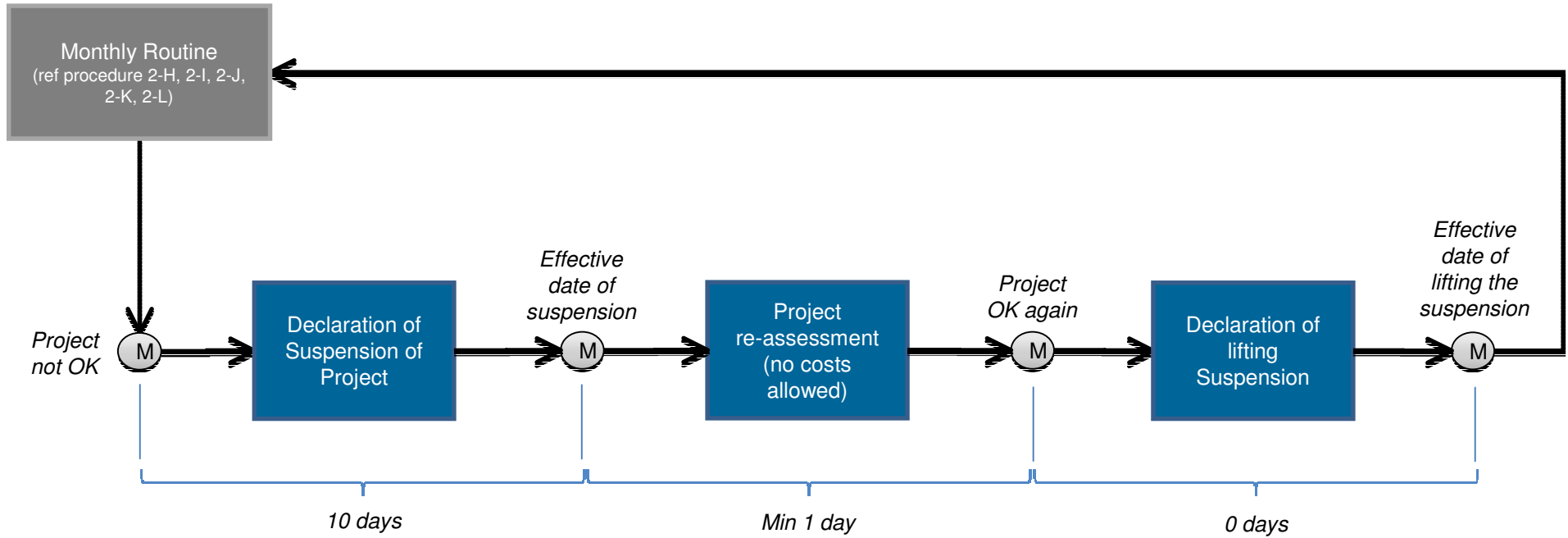
PROCEDURE	1 - A	Starting the Research Project
Sub-processes		
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	



*) No research or management costs may be charged to the project after this juncture if this is the end of the final reporting period

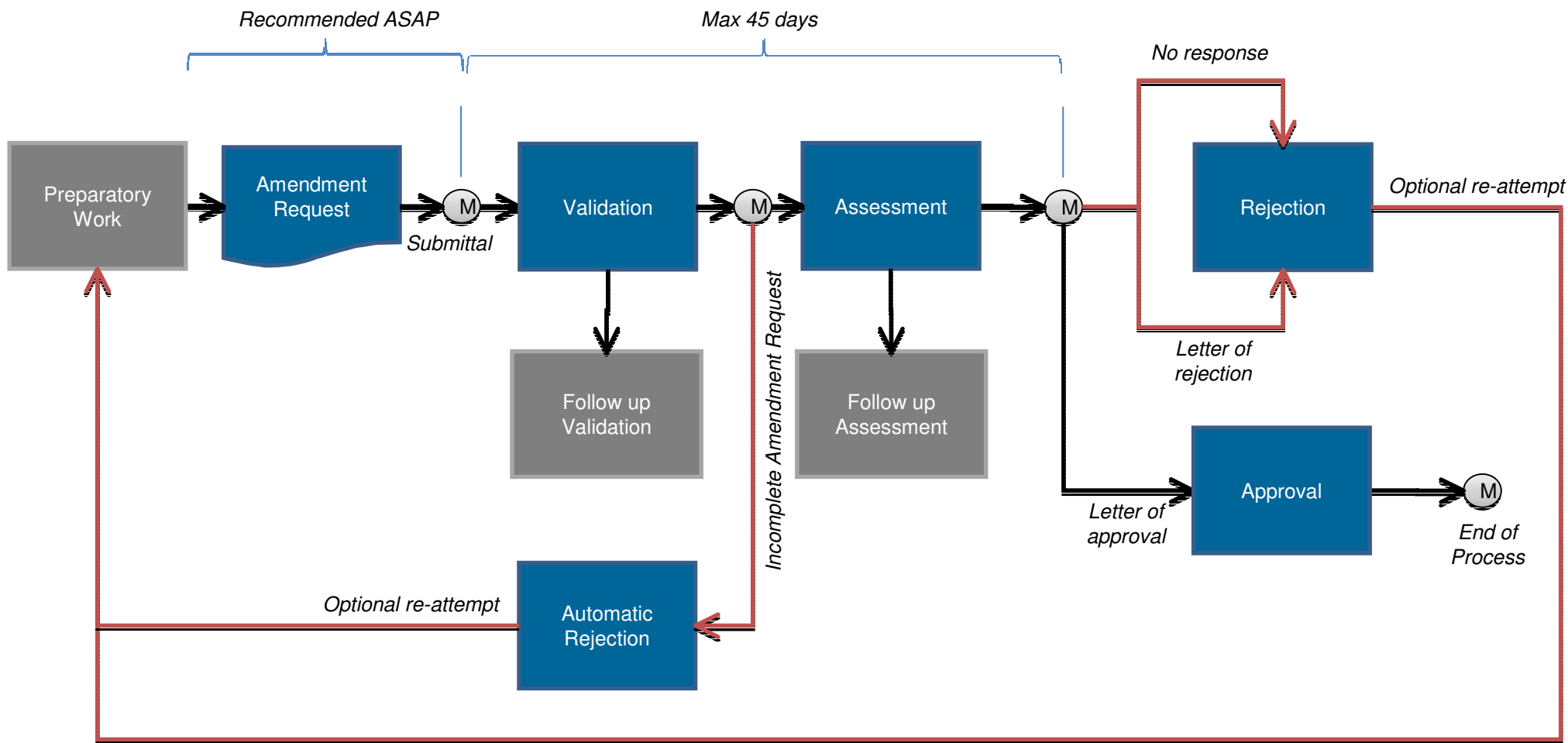
- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path

PROCEDURE	1 - B	Reporting and Payments
Sub-processes		2 - M, 2 - N
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	



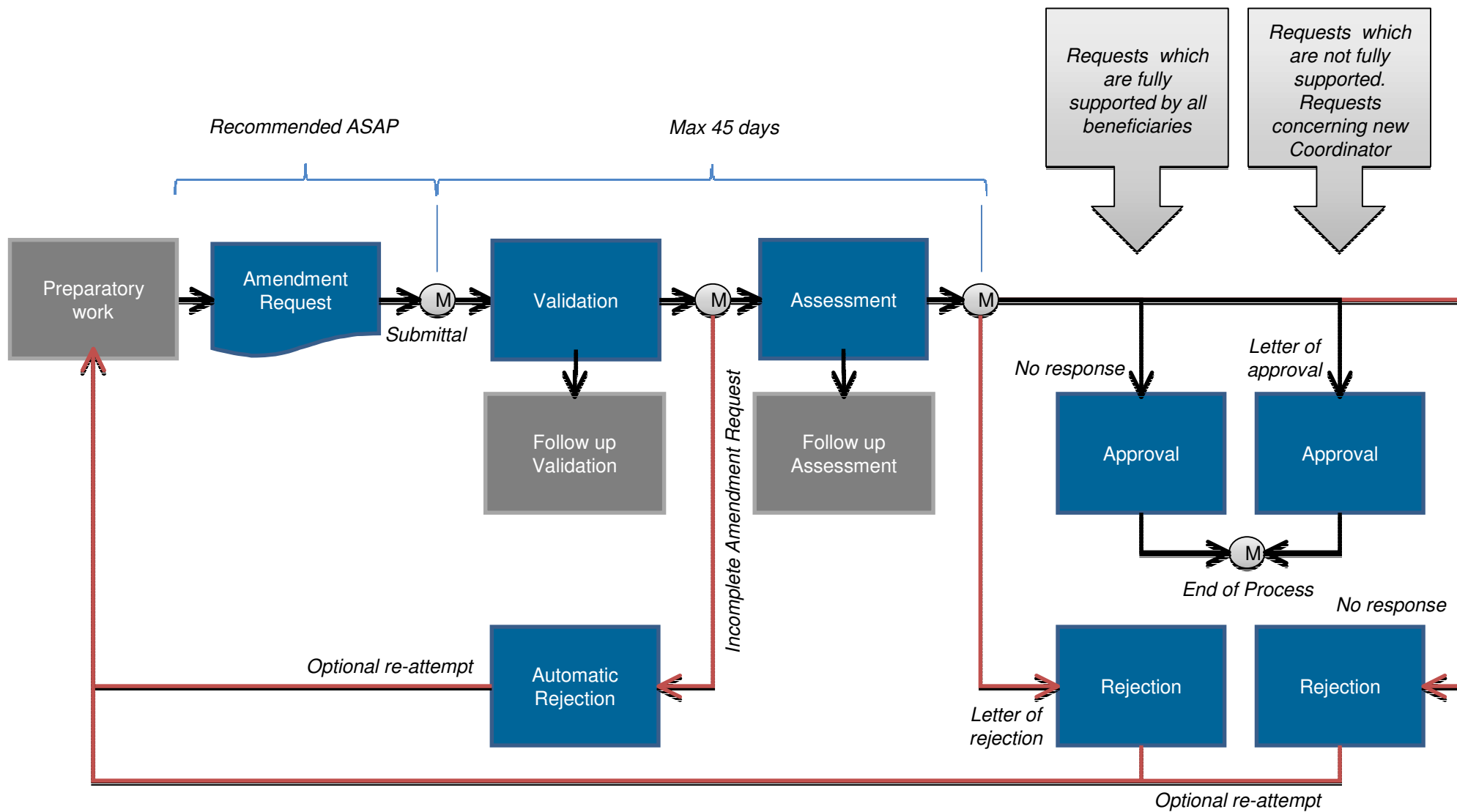
- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path

PROCEDURE	1 - C	Suspension of the Project (or part of it)
Sub-processes		
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	



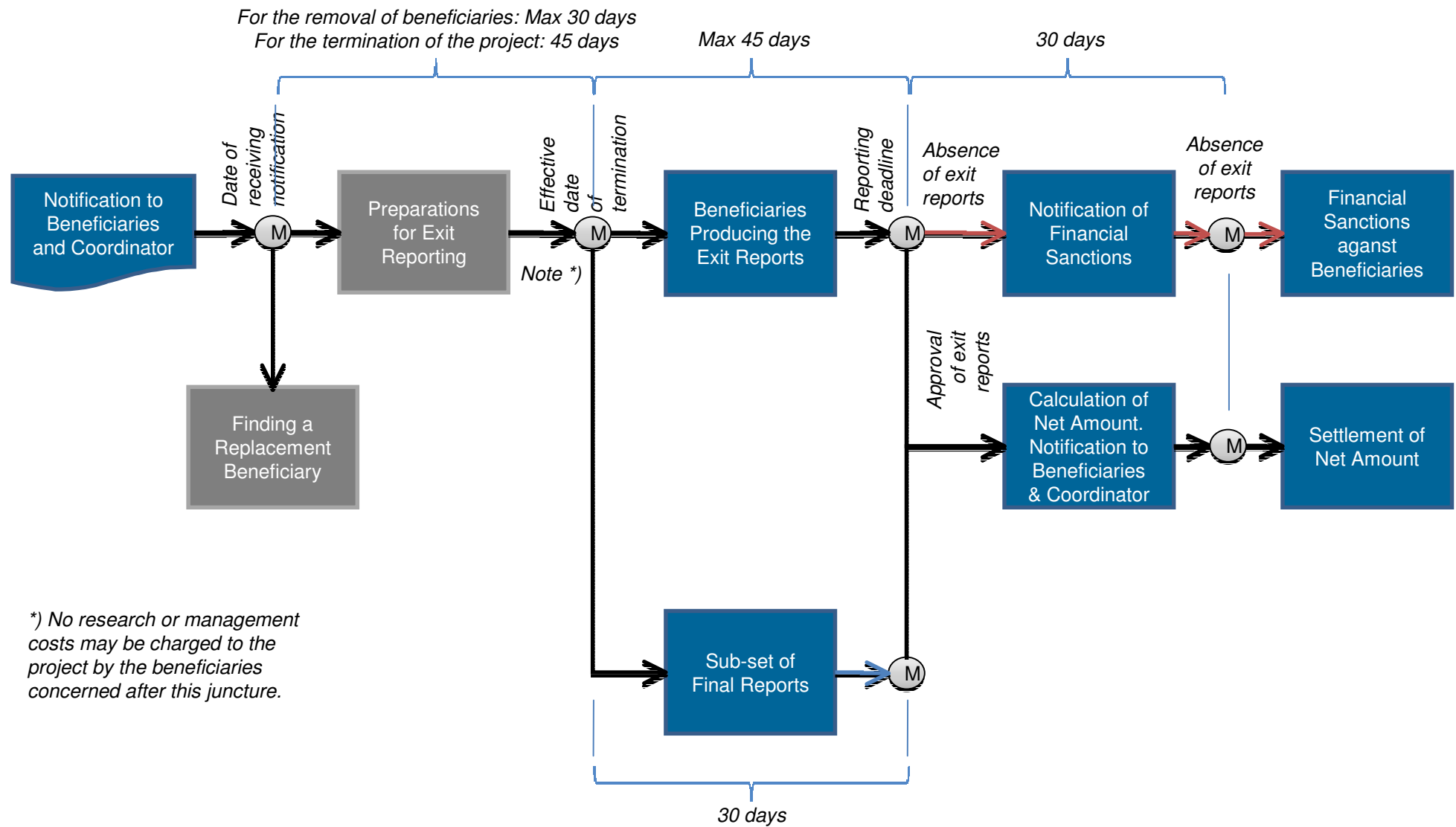
- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path

PROCEDURE	1 - D	General Amendments initiated by the Consortium
Sub-processes		
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	



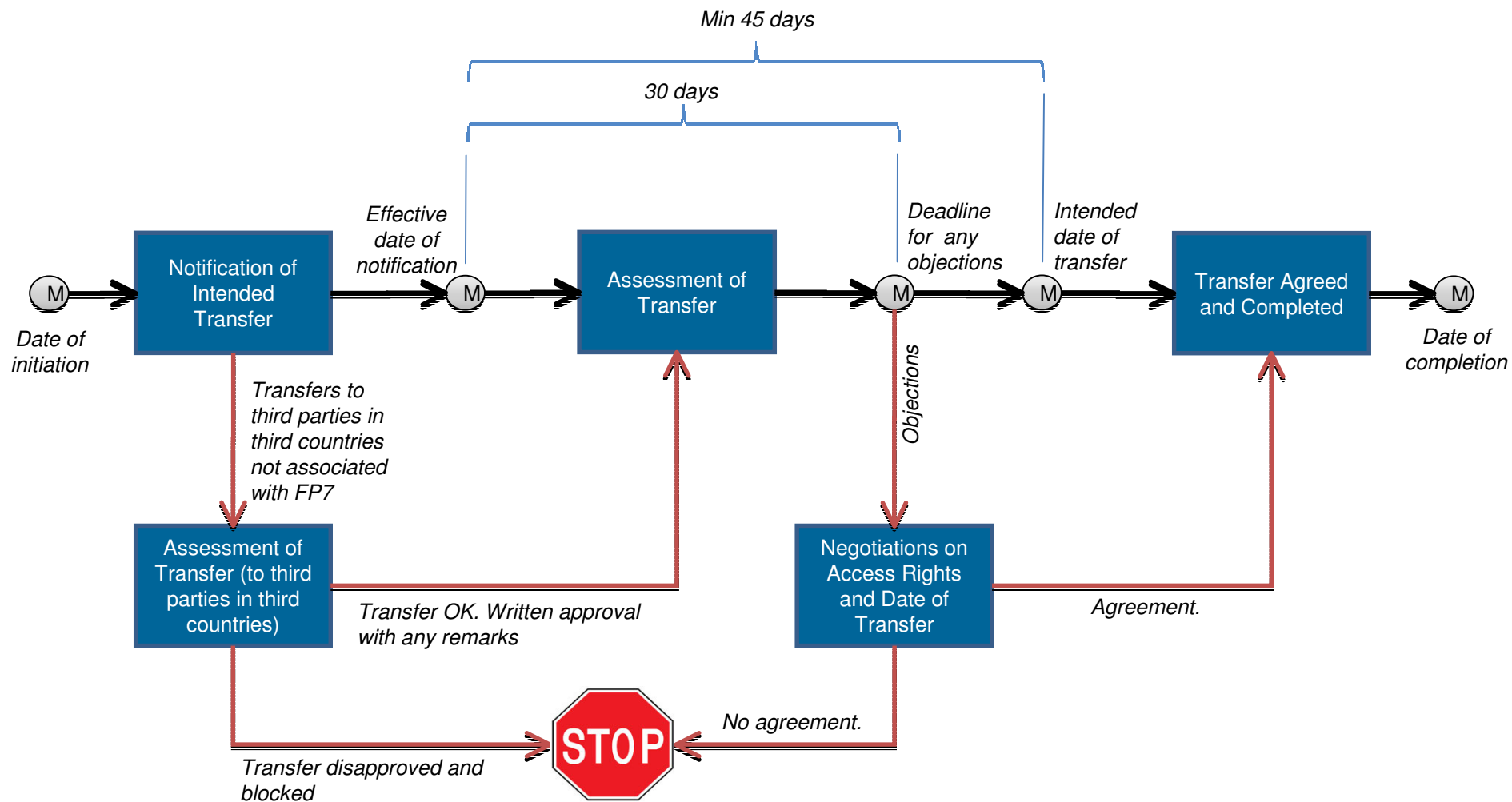
- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path





PROCEDURE	1 - E	Organizational Amendments initiated by the Consortium
Sub-processes		
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	



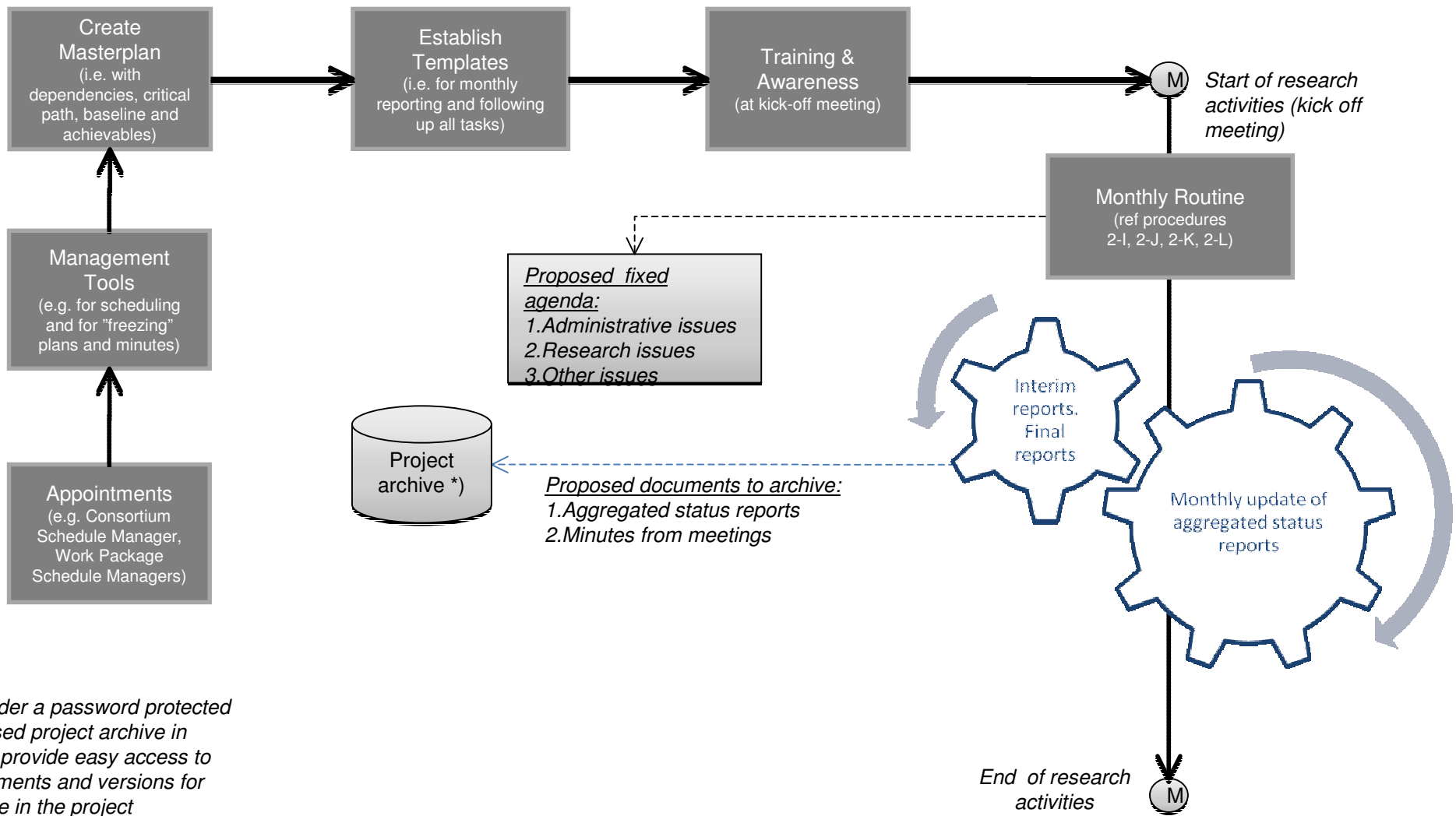
- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path

PROCEDURE	1 - F	Organizational Amendments Initiated by the Commission
Sub-processes		
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	

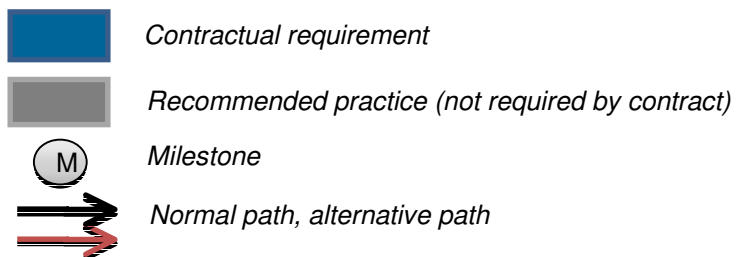


-  Contractual requirement
-  Recommended practice (not required by contract)
-  Milestone
-  Normal path, alternative path

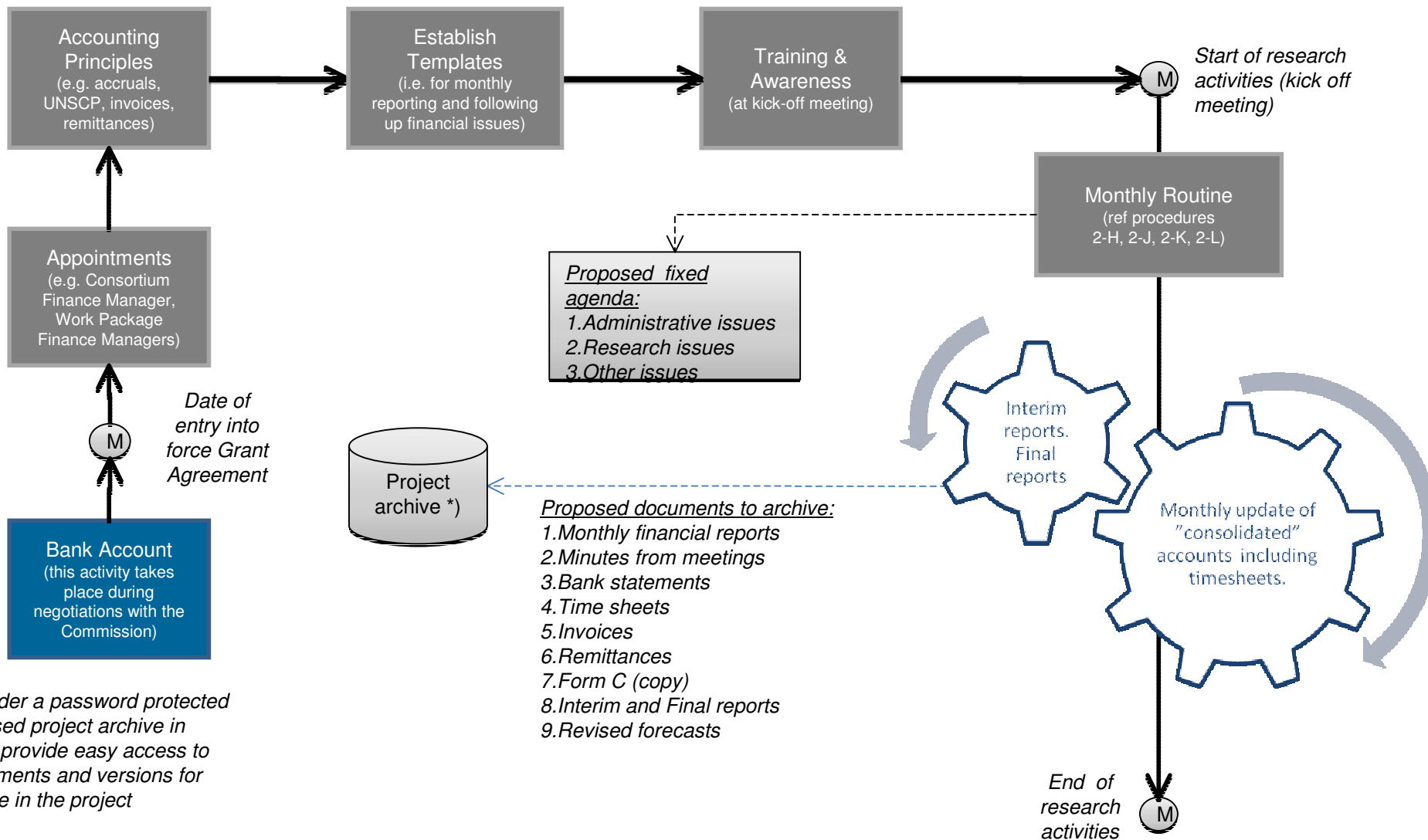
PROCEDURE	1 - G	Transfer of Foreground
Sub-processes		None
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes	



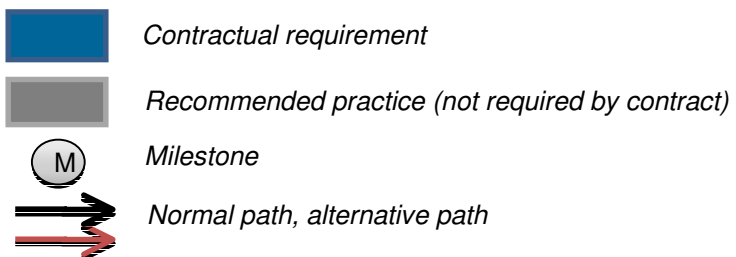
*) Consider a password protected web-based project archive in order to provide easy access to all documents and versions for everyone in the project



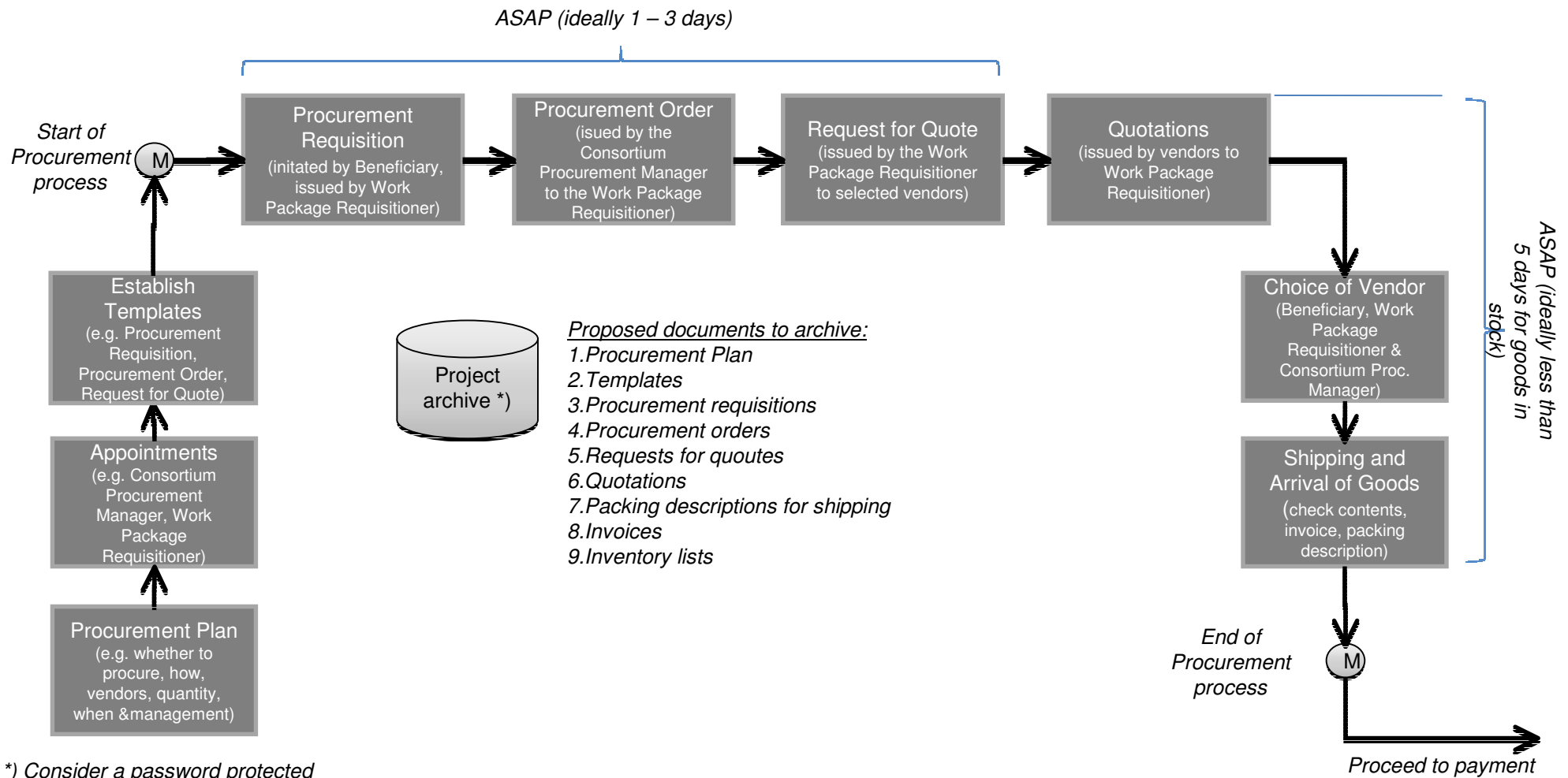
PROCEDURE	2 - H	Time Schedule Management
Sub-processes		None
Design	011008	Eystein Kallhovde
References	Oslo Prosjektservice AS	



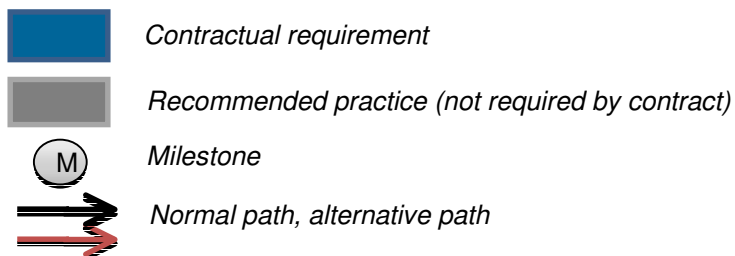
*) Consider a password protected web-based project archive in order to provide easy access to all documents and versions for everyone in the project



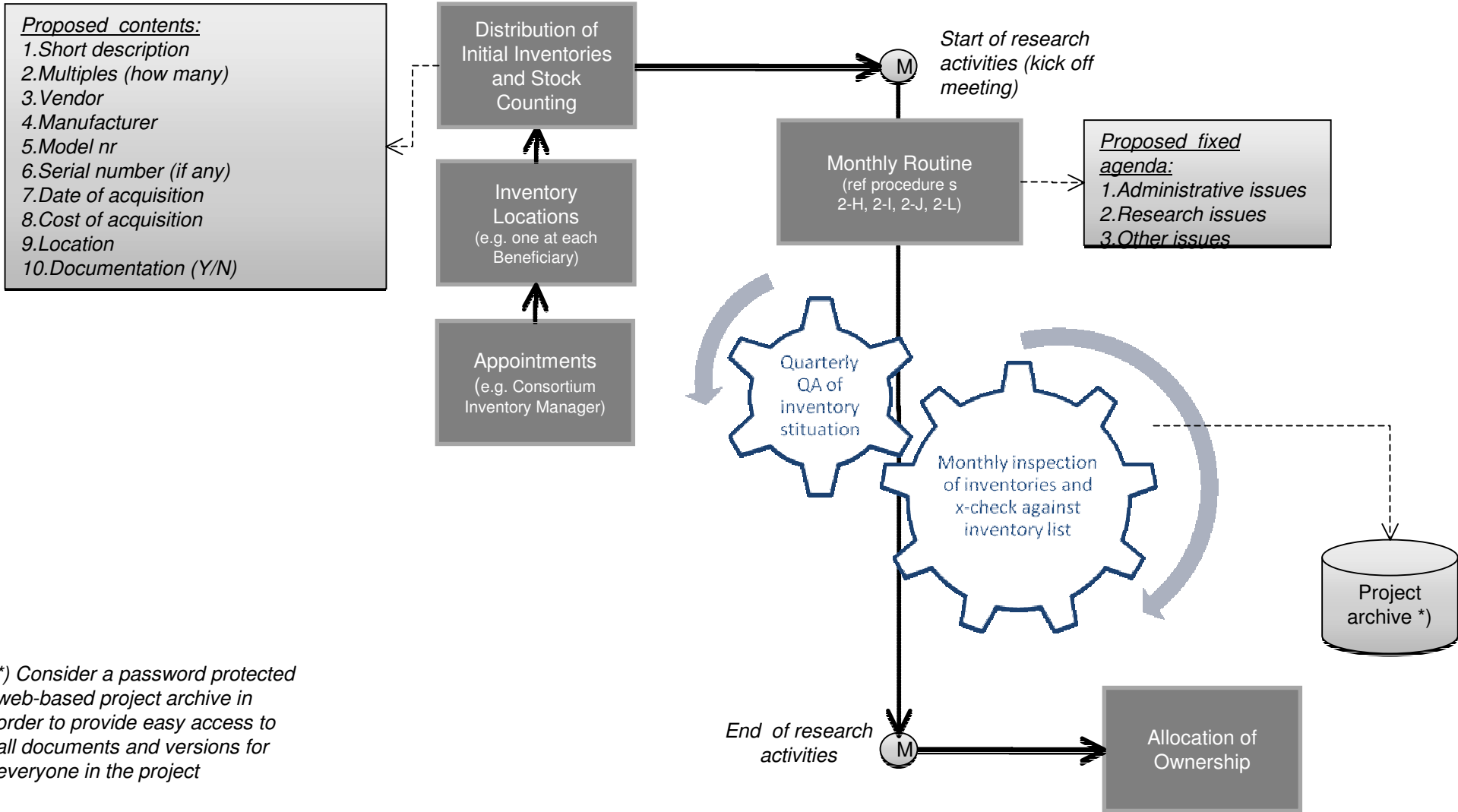
PROCEDURE	2 - I	Revenue and Cost Management
Sub-processes		None
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	



**) Consider a password protected web-based project archive in order to provide easy access to all documents and versions for everyone in the project*

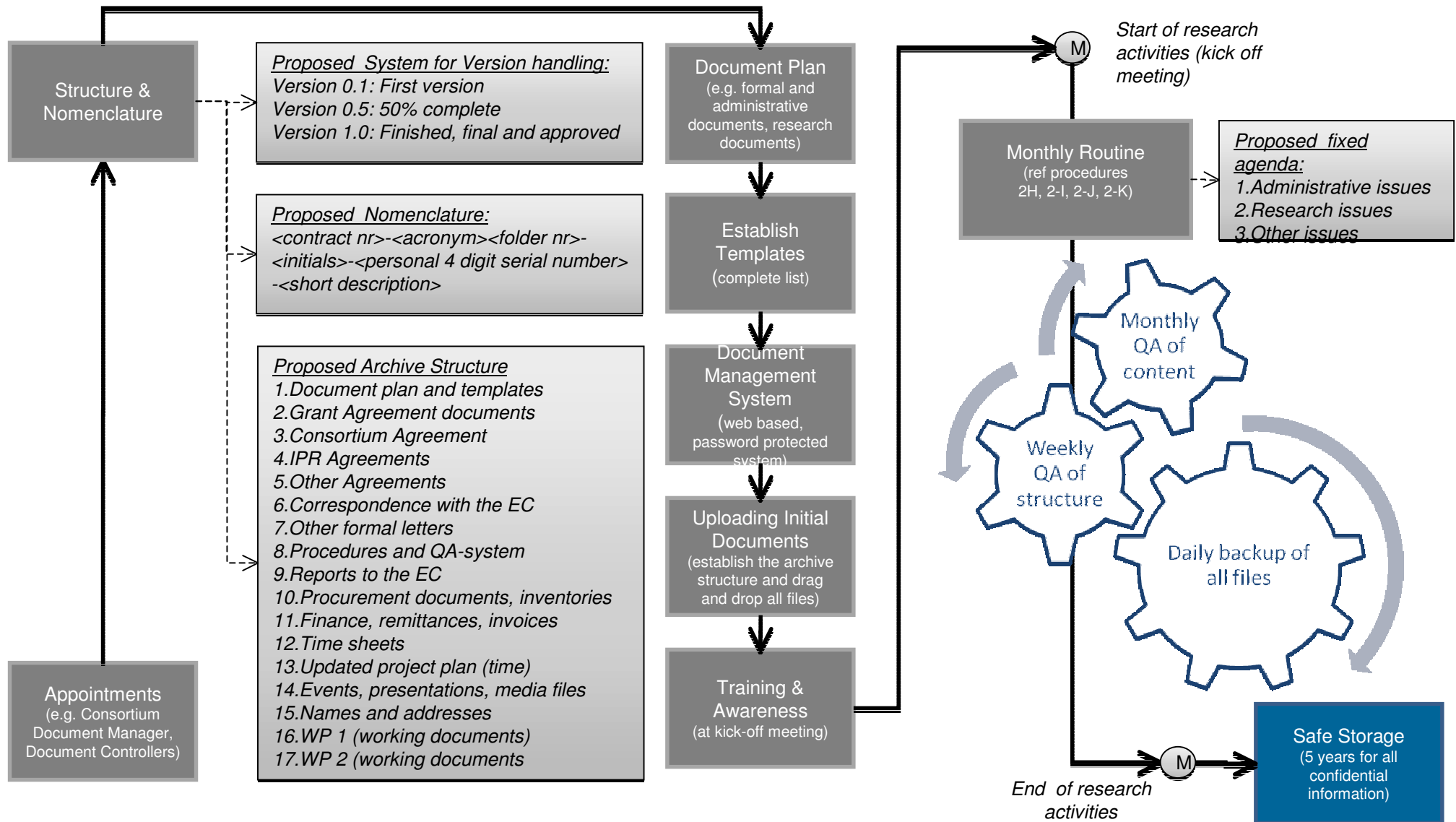


PROCEDURE	2 - J	Procurement Management
Sub-processes		None
Design	011008	Eystein Kallhovde
References	Oslo Prosjektservice AS	



- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path

PROCEDURE	2 - K	Inventory Management
Sub-processes		None
Design	280608	Eystein Kallhovde
References	Oslo Prosjektservice AS	



- Contractual requirement
- Recommended practice (not required by contract)
- M Milestone
- Normal path, alternative path

PROCEDURE	2 - L	Document Management
Sub-processes		None
Design	011008	Eystein Kallhovde
References	Grant Agreement and Annexes, Oslo Prosjektservice AS	

Count down	Activity	Notes	E	C	B
- 4 weeks	<p>Project Coordinator:</p> <ol style="list-style-type: none"> Makes a phone call to the project officer at the European Commission to inform him that a letter will be sent concerning the upcoming reporting Sends formal letter (registered mail) to the project officer to confirm the applicable version of Form C and "Guidance Notes on Project Reporting" for the project. Request answer within 1 week 	Make sure to get a written statement from the project officer for any deviations from "Guidance Notes on Project Reporting".	◇	◆	
- 3 weeks	<p>Project Coordinator:</p> <ol style="list-style-type: none"> Makes phone calls to the legal representative of each Beneficiary (see Form B) to ask them to appoint a Reporting Manager, and to inform them that they will soon receive a complete Reporting Pack that needs to be studied immediately Requests a telephone meeting within 1 week, dedicated to discussing reporting issues Distributes a complete Reporting Pack (all electronic) to each Reporting Manager, containing correct templates and instructions on how to produce the reports 	Templates for previous projects may be helpful, but make sure to check all details against the requirements in Guidance Notes on Project Reporting".		◆	◇
- 2 weeks	<p>Project Coordinator</p> <ol style="list-style-type: none"> And the Reporting Managers conduct a telephone meeting dedicated to discussing reporting issues. They agree to have a follow up telephone meeting within 1 week dedicated to discussing remaining reporting issues Makes and distributes a journal containing a numbered list of unresolved issues, allocates responsibilities and deadlines for resolving them. Max 1 week 	Ask everyone to compile copies of all invoices, remittances, time sheets and bank statements before the meeting. Make sure to address VAT-issues, overheads, hourly		◇	◇
- 1 week	<p>Project Coordinator and Reporting Managers conduct a telephone meeting dedicated to</p> <ol style="list-style-type: none"> Resolving remaining reporting issues Method of consolidating account and aggregation of reports 	Ask Reporting Managers to produce a pro forma Form C (draft) to the meeting		◇	◇
0 weeks	End of reporting period. Kick off telephone meeting for reporting			◇	◇

- ◇ Participates
- ◆ Sends
- ◇ Receives

PROCEDURE	2 - M	Preparations for Reporting
Sub-processes		
Design	011008	Eystein Kallhovde
References	Oslo Prosjektservice AS	

Count down	Activity	Notes	E	C	B
- 60 days	Kick off telephone meeting for reporting. Proposed agenda: 1. Reporting Pack 2. The reporting process (ie. the steps in this diagramme) 3. Invoices, remittances, time sheets and bank statements 4. Appointment of auditors	Make sure each Beneficiary is represented with a Reporting Manager		◇	◇
- 50 days	Each Reporting Manager sends a brief status report to the Project Coordinator: 1. Indicating percentage progress on each reporting document 2. Informing about any problems and possible solution			◇	◆
- 40 days	Telephone meeting between Project Coordinator and Reporting Managers. Agenda: 1. Progress on reports at each Beneficiary 2. Problems encountered and solutions			◇	◇
- 30 days	Each Reporting Manager submits all required reports (including audit certificate to support Form C) to the Project Coordinator or to the Work Package Leader	Depends on how the Consortium has agreed to consolidate the accounts and the aggregation of reports		◇	◆
- 20 days	Project Coordinator completes all required reports and distributes copies to each Reporting Manager for review			◆	◇
- 10 days	Telephone meeting between Project Coordinator and Reporting Managers. Agenda: 1. Reports 2. Lessons learned (Project Coordinator makes amendments to the reports if necessary)			◇	◇
0 days	Reporting deadline. The Project Coordinator submits the reports to the project officer at the European Commission	Registered mail	◇	◆	

- ◇ Participates
- ◆ Sends
- ◇ Receives

PROCEDURE	2 - N	Producing the Reports
Sub-processes		
Design	011008	Eystein Kallhovde
References	Oslo Prosjektservice AS	